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Housing Supply and Demand Analysis

Report Summary

This report and presentation provide information regarding a supply and demand analysis of Greater Sudbury's housing needs across the continuum and will be used to develop targets and inform proposed policies and incentives that will form part of the City of Greater Sudbury Housing Supply Strategy.

Relationship to the Strategic Plan, Health Impact Assessment and Community Energy & Emissions Plan (CEEP)

The Housing Supply and Demand Analysis aligns with Council's Strategic Priorities including "Expand Affordable and Attainable Housing Options" and "Develop and Promote Solutions to Support Existing Housing Choices". The Supply and Demand Analysis is one of a series of reports that will inform the development of the Housing Supply Strategy which will address the actions outlined in the Housing goal of the Strategic Plan, which reflect Council's desire for all citizens, especially vulnerable populations, to have access to safe, affordable, attainable and suitable housing option in the City of Greater Sudbury.

The Housing Supply and Demand Analysis provides the City with a strong foundation of data to guide the creation of compact, complete communities, Goal 1 of the CEEP.

Financial Implications

There are no financial implications associated with this report at this time.

Background

The Housing Supply and Demand Analysis provides an assessment of affordability thresholds based on income levels; describes the current housing market in Greater Sudbury (Ownership resale housing, ownership new sale housing, and rental housing); characterizes the housing supply and needs; provides an affordability gap analysis; and describes the types of households facing affordability challenges. This study was funded through the 'Consulting Fees for Policy and Process Improvements Stream' of the Province's Streamline Development Approvals Fund and provides a foundation of housing related data that will assist in the development of a policy framework supportive of residential growth targeting gaps in the current housing supply. This report is one of a series of background reports that will inform the development of the Housing Supply Strategy.

What Affordability Means in Sudbury

Affordable Ownership, as per the Provincial Policy Statement, is defined as the least expensive of:

- Housing, for which mortgage costs do not exceed 30% of gross household income for households below the 6th income decile or
- Housing which is 10% below the average resale home.

The current affordable purchase price is \$368,508 for a resale home.

Affordable Rental Housing is the least expensive of:

- Housing with a rental rate not exceeding 30% of gross household income below the 6th income decile (the 6th income decile represents the threshold between moderate and high income groups which in Greater Sudbury is \$112,500) or
- Housing that is rented at or below the average market rent in the region.

Slight adjustments to the affordable rents presented in the report have been made by CGS's Community Development Department and are set out below (rents not exceeding 30% of household income):

- \$1,030 – bachelor
- \$1,134 – one bedroom
- \$1,329 – two bedroom
- \$1,472 – three bedroom

CMHC defines affordable rent as the average monthly rent by unit type as determined in the annual survey of rents for the prior calendar year and because of the lag are often below the rents reflected in the current market universe.

A summary of key findings from the Consultant's report (see Appendix A) is provided below. A glossary of terms is provided in Appendix B to this report for key terminology throughout the report.

Key Findings

Key Findings – High Level Themes

- Incomes in Greater Sudbury have been increasing, but the increase is primarily attributed to growth among high-income households.
- Renter households are far more likely to be in core housing need (a household is in core housing need if its housing doesn't meet one or more of the following standards: affordability, adequacy, suitability).
- In the ownership market, resale pricing has been increasing rapidly in recent years and is quickly becoming out of reach for many middle-income households.
- Population growth and eroding affordability in the ownership market are driving rental demand, resulting in low vacancy and strong increases in rental rates. As a result, the vast majority of rental and ownership housing is becoming unaffordable to low- and moderate-income households.
- The City has a significant wait list for community housing of nearly 1012 households (an increase from the time the consultant report was drafted). Demand for community-housing (i.e. Rent-Geared-To-Income (RGI)), and particularly one-bedroom units, is expected to remain strong given deteriorating affordability levels and the current wait list composition.
- There is also sizeable demand for Low-End of Market (LEM) (60% of AMR) and rental housing at a proportion (80% of AMR) of the Canada Mortgage and Housing Corporation (CMHC) Average Market Rent (AMR).
- Greater Sudbury is expected to continue to grow, with most of the growth expected in low-density forms and within the former City of Sudbury. Though singles and semis are anticipated to account for 52% of the housing forecast, rows and apartments are anticipated to increase to approximately 10% and 40% respectively (see reference 6). The City must ensure that housing supply is able to meet the

current unmet demand as well as the needs of future residents. The City should find ways to encourage more rental housing broadly across the housing continuum and affordability depths (e.g., RGI to market-rates).

Key Findings – Ownership Market

- Housing stock has experienced significant price growth in recent years.
- Supply of housing should increase to meet current or projected demand. The modest amount of new housing that is built targets a very narrow segment of the market (e.g. single-family homes positioned towards the upper end of the market). It should be noted that, as noted on page 14 of the Supply and Demand Analysis report, CMHC does not include conversions or alterations within an existing structure that result in new units. Additionally, CMHC data reports on completion and there is often a lag between building permit issuance and the unit being complete. Therefore, CMHC data does not match housing building permit activity data reported by CGS.
- Limited new housing supply will continue to put upward pressure on prices as population grows while higher mortgage rates and stricter qualification requirements will pose barriers for many potential buyers, particularly those entering the market for the first time. These conditions continue to drive demand for rental housing.
- The City should encourage a broader supply of ownership housing, particularly more compact and lower-cost product types such as townhomes, semi-detached, and condominium apartments.

Key Findings – Rental Market

- The most significant housing gaps are observed in the rental market.
- The newest and most expensive rental stock has the tightest vacancy. These market conditions force higher income households into older less expensive rental units resulting in tight vacancy, higher rents and an overall reduced inventory in lower cost housing.
- There is an immediate need for 470 additional rental units to achieve a healthy vacancy rate of 5% and an average of 66 additional rental units per year for the next 30 years to meet anticipated demand. The gaps exists across all rental typologies (purpose built rental, townhomes, privately leased homes, etc.) and unit type (Bachelor, one-bedroom, two-bedroom and three-bedroom) (refer to page 46 of the report).
- Broader supply and choice should cause rental rates to stabilize.
- The City should investigate strategies to improve the supply of new rental housing by the private sector.
- Basement apartments and secondary suites are more affordable than the new purpose-built rental stock in the City and easier to supply than purpose-built rental construction.

Key Findings – Affordable Housing

- Greater Sudbury's supply of Low-End of Market (LEM) and Rent-Geared-to-Income Units (RGI) falls short of demand (minimum 301 LEM units (as of 2017, wait list no longer maintained) and 655 RGI units needed).
- The above wait-list indicators are likely to continue to increase as the population grows and affordability challenges remain in the ownership and rental markets.
- Demand for RGI housing is likely to continue to be focused on one-bedroom units.
- In addition to creating new supply, there is a need to reinvest in the existing community housing stock across the Greater Sudbury Housing Corporation (GSHC) and Non-Profit / Co-operative Portfolio as identified in the Greater Sudbury Housing Revitalization Plan and Housing and Homelessness Plan.
- Targets should be identified for each affordability depth (level of rent or payment charges to the household relative to the average market costs based on income decile) and aligned with strategies to promote supply for each.

Conclusion and Next Steps

The Housing Supply and Demand Analysis will support the development of the Housing Supply Strategy as directed by Council and is directly linked to items 2.a. (recommendations to enhance current initiatives), 2.d. iv. (ensuring the right mix of housing stock), and 2.f. (reporting metrics), of resolution CC2023-26. The table below provides an outline of the Housing Supply Strategy project stages and anticipated timing.

Project Stage	Timeline
Phase 1 Consultation	June to September 2023
Series 1 - Background Reports	July-October 2023
Draft Housing Supply Strategy	December 2023
Phase 2 Consultation	Q1 2024
Series 2 – Implementation Reports	Q1-Q2 2024
Final Housing Supply Strategy	Late Q2 2024
Implementation, Monitoring and Evaluation	Ongoing

Resources Cited

1. “Streamline Development Approvals Fund”, report presented at the March 29, 2022 Finance and Administration Committee Meeting, <https://pub-greatersudbury.escribemeetings.com/filestream.ashx?DocumentId=43654>
2. “Request for the Development of a Housing Supply Strategy”, Motion presented at the February 7, 2023, Council meeting <https://pub-greatersudbury.escribemeetings.com/Meeting.aspx?Id=45cb9903-efa8-4dbc-8754-c95b1dd1773c&Agenda=Agenda&lang=English&Item=50&Tab=attachments>
3. Housing Supply Strategy – Over To You Website, <https://overtoyou.greatersudbury.ca/housing-supply-strategy>
4. City of Greater Sudbury Social Housing Revitalization Plan, 2018, <https://pub-greatersudbury.escribemeetings.com/filestream.ashx?documentid=3279>
5. Housing and Homelessness Plan, Annual Update Reports, Community Housing Website, <https://www.greatersudbury.ca/live/community-housing/housing-services1/ten-year-housing-and-homelessness-plan/>
6. Population Projections Report, July 10, 2023, <https://pub-greatersudbury.escribemeetings.com/filestream.ashx?DocumentId=50009>

City of Greater Sudbury

Housing Supply and Demand Analysis

March 2023



nblc
N. Barry Lyon Consultants Ltd.

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Geographic Boundaries

The analysis provides market information for the following geographies:

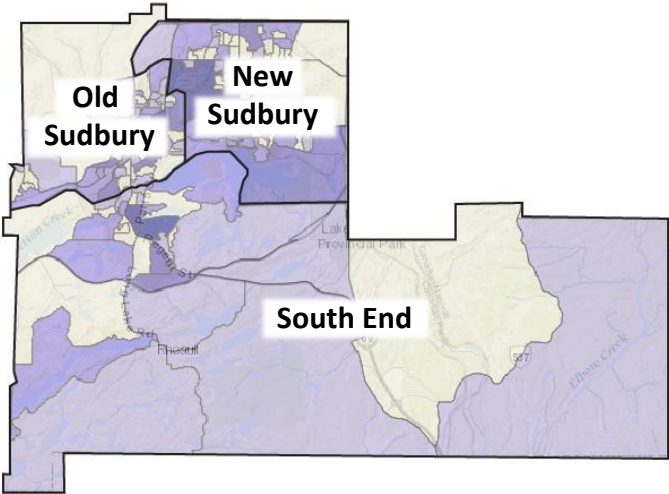
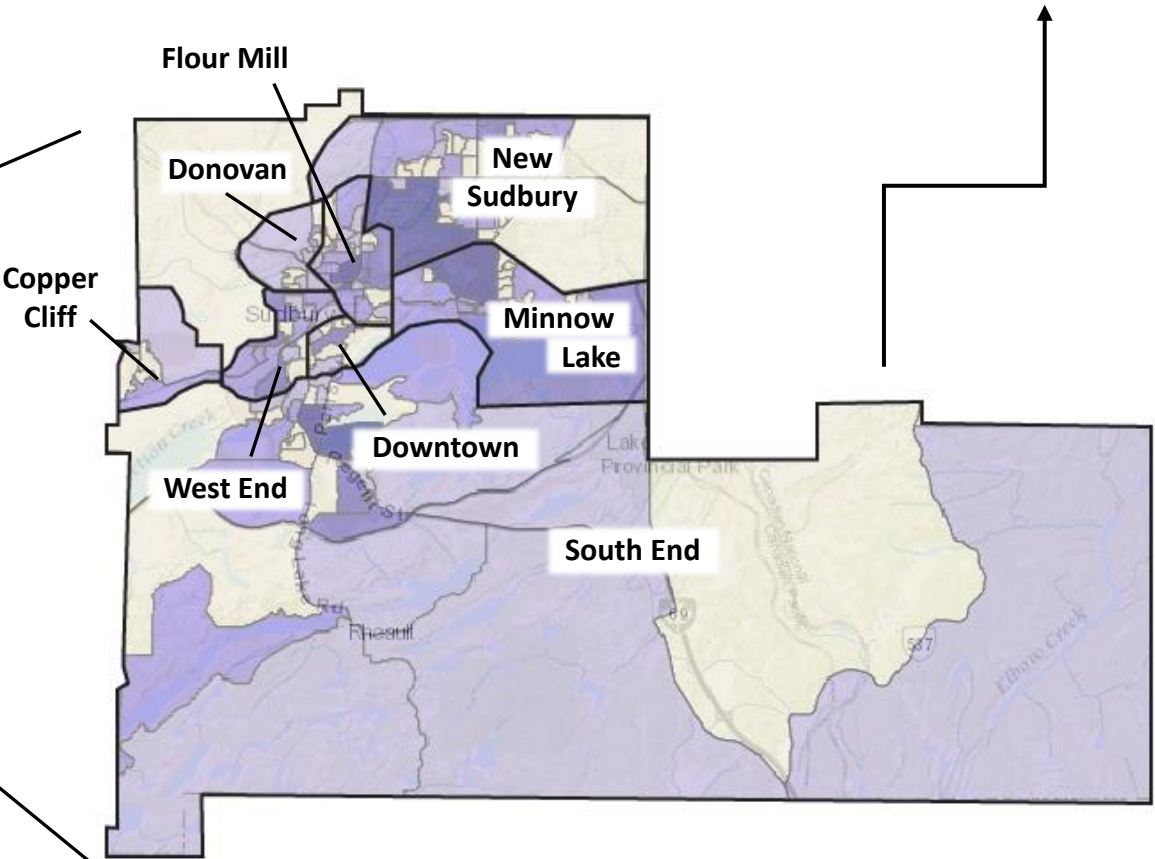
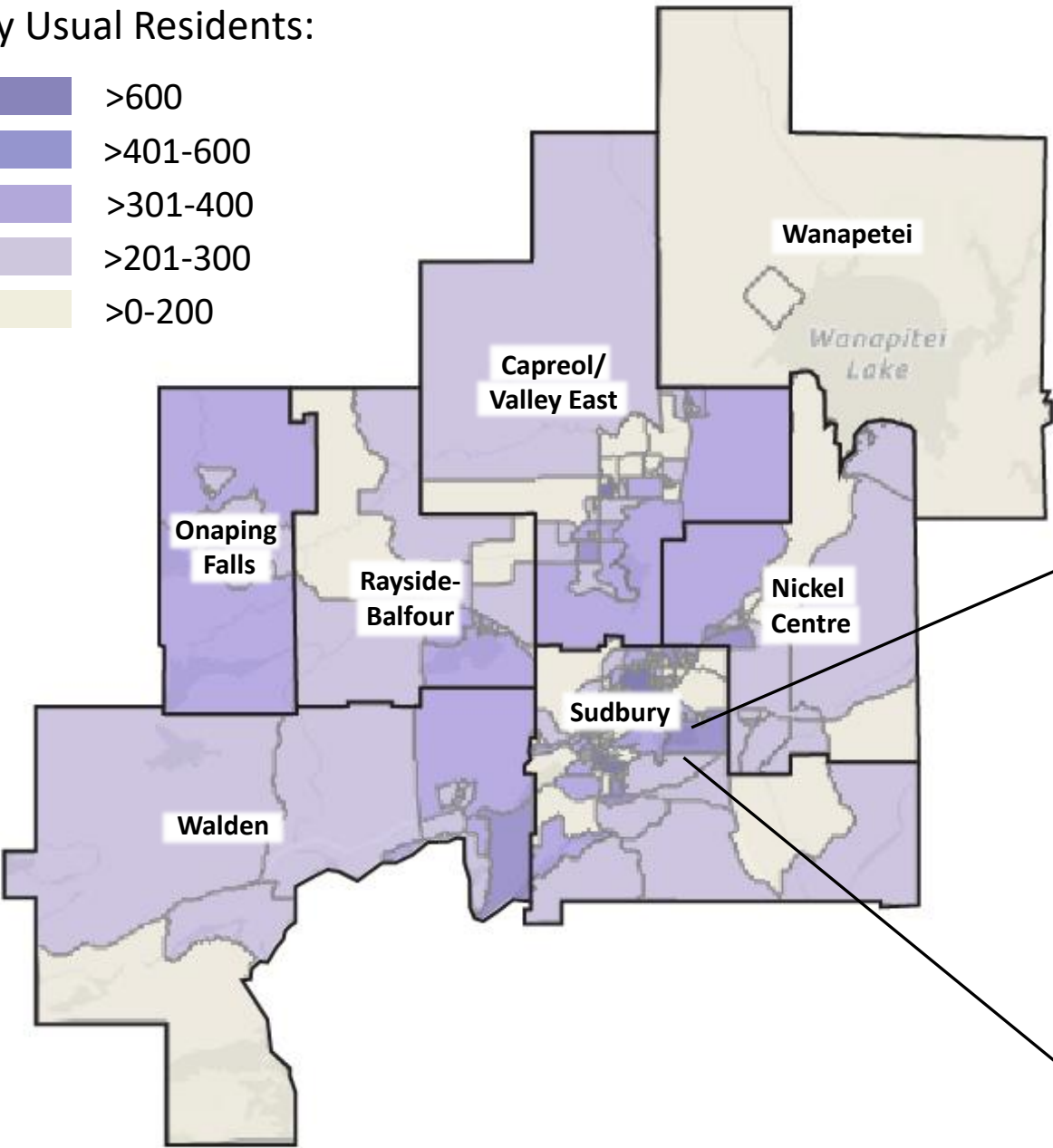
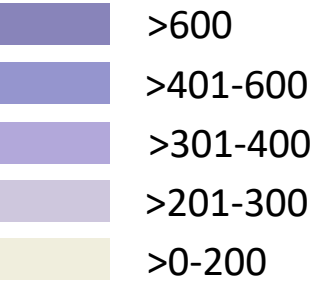
- **The City of Greater Sudbury (“Greater Sudbury”)**, which is further broken down into seven former municipalities and one reserve: **Walden, Onaping Falls, Rayside-Balfour, Valley East and Capreol, Wanapitei, Nickel Centre and City of Sudbury.**

The report additionally focuses on the former **City of Sudbury (“City of Sudbury”, “Sudbury”)** consisting of eight neighbourhoods: **South End, Minnow Lake, New Sudbury, Flour Mill, Donovan, Downtown, West End and Copper Cliff.**

Where possible, the analysis focuses on the smallest geographic level – neighbourhoods in the City of Sudbury and former municipalities within the City of Greater Sudbury, in addition to providing city- and region-wide statistics. However, when there is no or insufficient available data, these smaller geographies are either combined or aggregated into the following CMHC zones: **Old Sudbury**, which includes the neighbourhoods of Flour Mill, Donovan, Downtown, West End and Copper Cliff, **New Sudbury**, consisting of the neighbourhoods of New Sudbury and Minnow Lake, and **South End.**

Maps illustrating these market areas are provided on the following page.

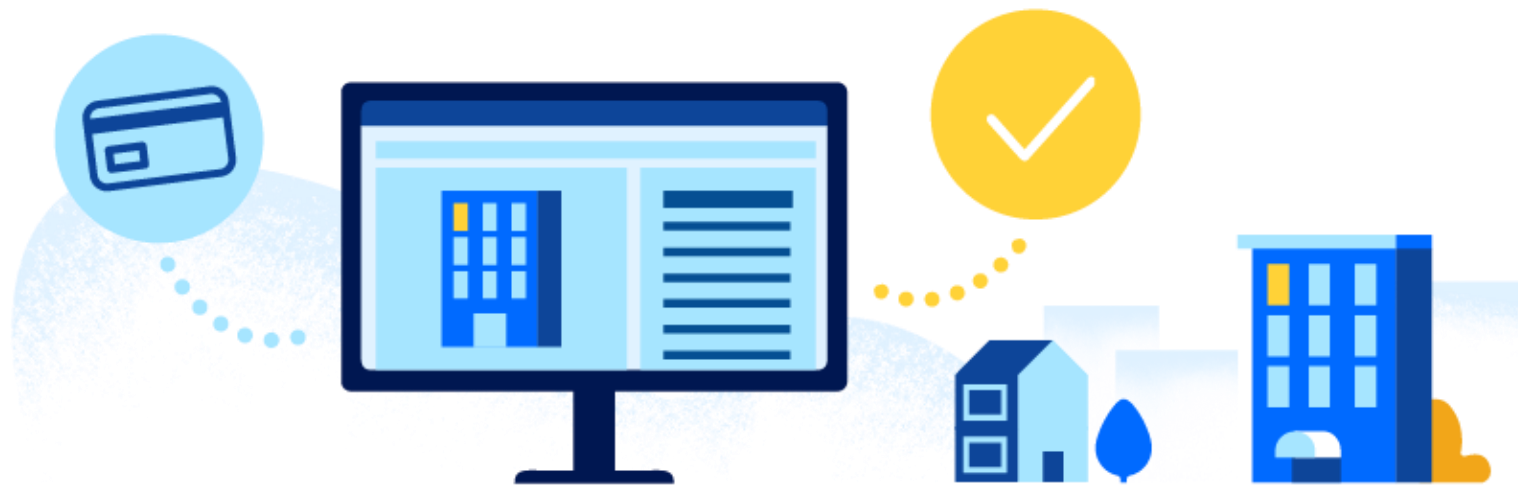
Private Dwellings Occupied
by Usual Residents:



Executive Summary – Key Findings

- Incomes in Greater Sudbury have been increasing, but the increase is primarily attributed to growth among high-income households. Owner households also earn significantly more than renters, on average and broadly across all decile groups.
- Renter households are far more likely to be in core housing need (i.e., living in unaffordable, unsuitable, and/or inadequate housing), particularly for older and senior households, lone-parents, one-person households, immigrant households, and households with activity limitations. It is also very likely that the proportion of households in core housing need has increased since the 2016 census given shifts in the market over this period.
- In the ownership market, resale pricing has been increasing rapidly in recent years and is quickly becoming out of reach for many middle-income households. New housing development focuses on large single-detached homes that primarily target upper-middle and high-income households. While townhomes are beginning to become a more common development choice for builders, single-detached homes remain the predominant housing typology delivered historically and in recent years. Other affordable ownership options such as condominium apartments have been non-existent.
- Population growth and eroding affordability in the ownership market are driving rental demand across Greater Sudbury, resulting in low vacancy and strong increases in rental rates. The supply of new rental housing has been modest and is not keeping pace with demand, causing low vacancy, long wait-lists, and rising rents. As a result, the vast majority of rental and ownership housing is becoming unaffordable to low- and moderate-income households.
- The City also has a significant wait list for community housing of nearly 850 households. Demand for community housing (i.e., RGI), and particularly one-bedroom units, is expected to remain strong given deteriorating affordability levels and the current wait list composition. Many households may wait over four years prior to being housed in the City's community housing stock.
- There is also sizeable demand for Low End of Market and rental housing at a proportion of the CMHC AMR.
- Sudbury is expected to continue to grow looking forward to 2046, with the majority of growth expected in low-density forms and within the former City of Sudbury. It is vital that the City ensures housing supply is able to meet the current unmet demand as well as the needs of future residents.
- The results of this analysis indicate that the City should find ways to encourage more rental housing broadly across the housing continuum and affordability depths (e.g., RGI to market-rates). The City should also be encouraging a greater supply of ownership housing, as well as broader supply characteristics including lower-cost product types such as townhomes, compact semi-detached, and condominium apartments.

1.0 Income and Affordability Thresholds



Affordable Housing Definition

The **Provincial Policy Statement (PPS)** provides the following definitions of affordable housing:

Affordable Ownership Housing is the least expensive of:

- housing for which the purchase price results in annual accommodation costs which do not exceed 30 percent of gross annual household income for low and moderate income households; or
- housing for which the purchase price is at least 10% below the average purchase price of a resale unit in the regional market area;

Affordable Rental Housing is the least expensive of:

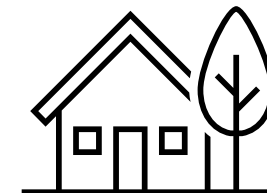
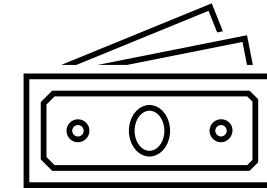
- a unit for which the rent does not exceed 30 percent of gross annual household income for low and moderate income households; or
- a unit for which the rent is at or below the average market rent of a unit in the regional market area.

Low and Moderate Income Households:

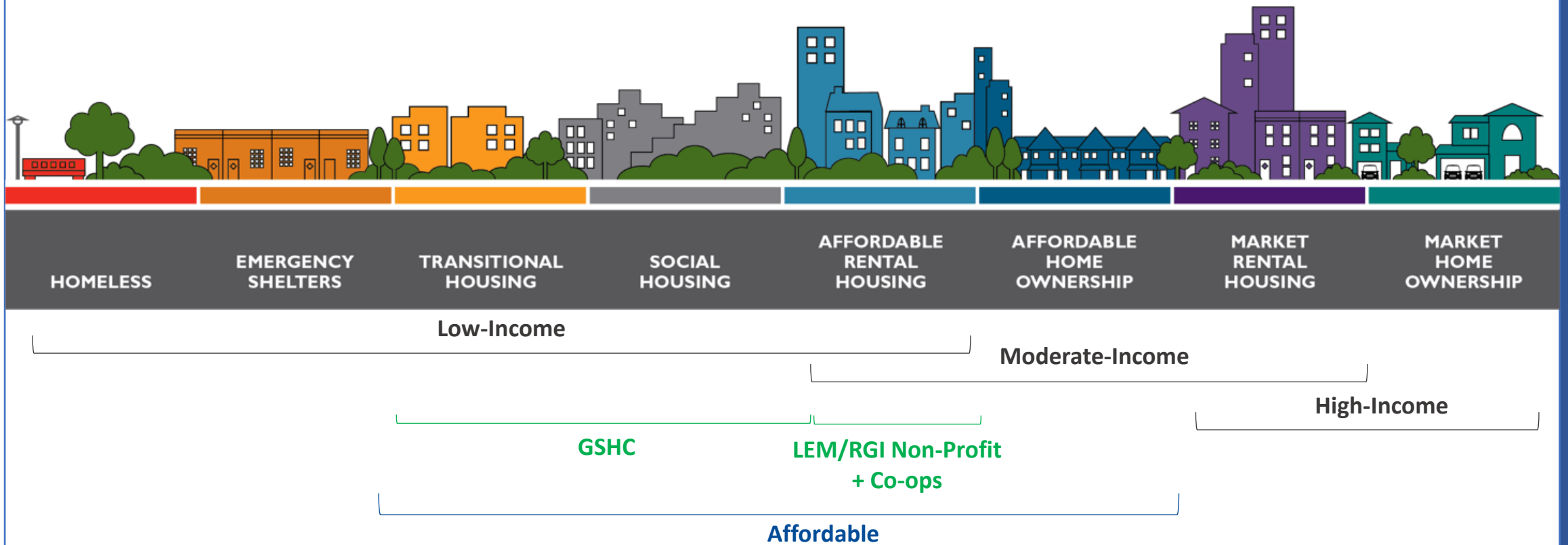
- Low Income: Households below the 3rd income decile.
- Moderate Income: Households between the 4th and 6th income decile.
- Ownership Housing: All Household income distribution.
- Rental Housing: Renter Household income distribution.

Greater Sudbury Official Plan:

- Official Plan definition matches the PPS definition.



Typical Income Distribution Along The Housing Continuum



Income Distribution: Greater Sudbury

- As of 2016, households in Greater Sudbury on average earned **\$89,941** before taxes. The average gross income of owner households was more than two times higher than the average renter income - **\$112,037** compared to **\$46,886**.
- Donovan/Flour Mill had the lowest average owner and renter incomes across Greater Sudbury. Owners and renters in South End earned the highest average incomes, followed closely by Valley East/Capreol and Walden/Onaping Falls.
- The majority of renter households in Greater Sudbury earn between \$20,000 and \$40,000 before taxes, with only 15% of households earning more than \$80,000. Renter income distribution was mostly concentrated in the bottom three income groups that account for incomes below \$60,000.
- The opposite was true for owner households. Nearly 75% of owners were in the top three income brackets earning above \$60,000 before taxes. Households making over \$100,000 accounted for 47% of all owner households. Only 3% of owners earned less than \$20,000 compared to 24% of renters.
- The 2021 census indicates that the average gross household income in Greater Sudbury is now **\$103,000**, however income distribution data by tenure has not been yet released (see following page).

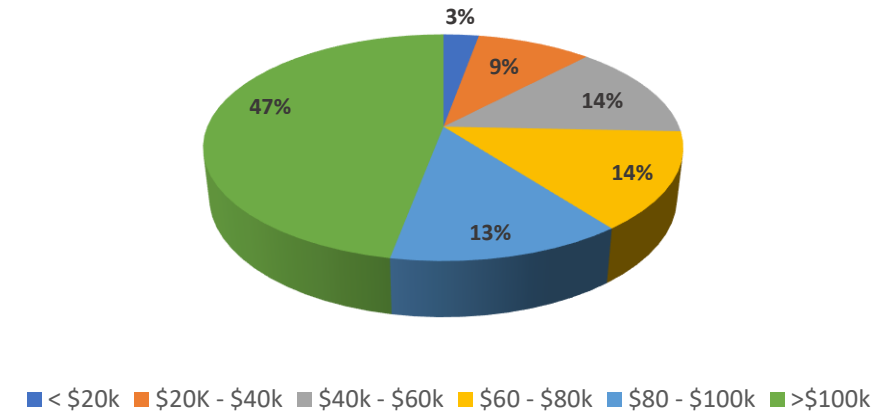
Average Household Income Before Taxes, Greater Sudbury

As of 2016

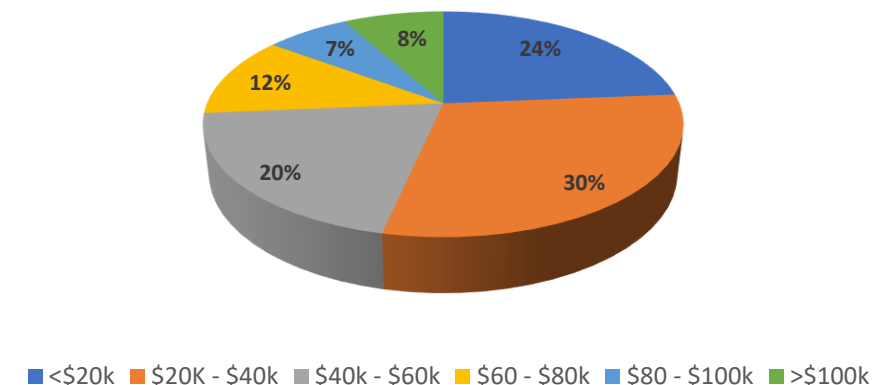
Tenure	Donovan Flour Mill	Downtown	Minnow Lake	New Sudbury	Nickel Centre	Rayside-Balfour	South End	Valley East Capreol	Walden Onaping Falls	West End Copper Cliff	Greater Sudbury
Owner	77,299	116,144	\$109,599	\$105,604	\$106,528	\$109,096	\$151,010	\$110,024	\$111,407	\$92,184	\$112,037
Renter	36,414	38,777	\$42,480	\$50,788	\$51,329	\$53,194	\$54,237	\$53,373	\$51,496	\$48,491	\$46,886
Total	49,716	73,699	\$84,987	\$86,665	\$96,276	\$93,106	\$114,568	\$101,411	\$103,730	\$70,355	\$89,941

Source: CMHC and Statistics Canada

Owner Income Distribution, Greater Sudbury (2016 – CMHC)



Renter Income Distribution, Greater Sudbury (2016 - CMHC)



Income Growth: Greater Sudbury

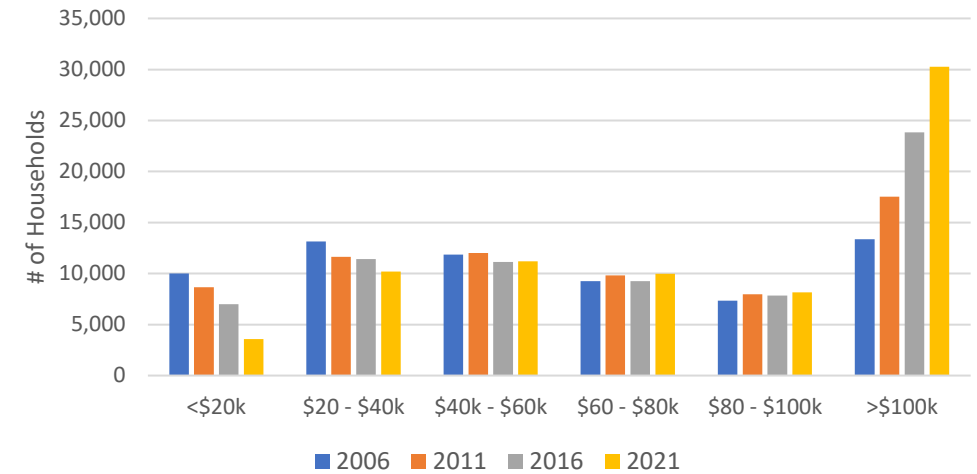
- Between 2006 and 2016, the average household income in Greater Sudbury increased by 32% from \$68,126 to \$89,941. Incomes increased at a slightly faster pace between 2011 and 2016 (17%) compared to the 2006 – 2011 census period (13%). Between 2016 and 2021, incomes grew by almost 15% to an average \$103,000 before taxes.
- Most of this growth can be attributed to the increasing share of high-income households, particularly those earning above \$100,000. The proportion of these households increased from 21% in 2006 to 34% in 2016. As of 2021, 41% of households in Greater Sudbury had an average income of over \$100,000.
- The share of households earning below \$20,000, on the other hand, has been steadily decreasing over each census period. The proportion of these households decreased from 15% in 2006 to 10% in 2016. In 2021, only about 5% of all households earned less than \$20,000.
- The share of households earning between \$20,000 and \$40,000 has been also shrinking while other middle-income groups remained mostly unchanged.
- These trends, however, do not signal improving affordability. Inflation, combined with rapid price appreciation in both rental and ownership markets continue to put downward pressure on affordability thresholds despite income growth.
- Proportional growth in income for both renters and owners was similar between 2006 and 2011.

Average Household Income Before Taxes, Greater Sudbury

Year	Income	% Change	% Change '06 - '21
All Households			
2006	\$68,126	-	51.2%
2011	\$76,772	12.7%	
2016	\$89,941	17.2%	
2021	\$103,000	14.5%	

Source: Statistics Canada

Income Distribution, All Households Greater Sudbury (Statistics Canada)



Average Household Income Before Taxes, Greater Sudbury

Year	Income	% Change '06 - '16
Owner Households		
2006	\$84,081	33.2%
2011	\$93,408	
2016	\$112,037	
Renter Households		
2006	\$35,774	31.1%
2011	\$41,484	
2016	\$46,886	

Source: Statistics Canada

Income by Decile Group: Greater Sudbury

- The data displayed to the right sorts the income of **All Households** and **Renter Households** by income deciles. The data is based on the 2021 census that represents 2020 incomes, which are then inflated using the Consumer Price Index (CPI) to estimate current income levels.
- These estimates, however, do not account for income changes caused by in- and out-migration and overall socioeconomic changes of households in the municipality since 2020.
- The data further exemplifies that owner households earn significantly more than renters in each decile. When looking at all households, incomes range from \$29,820 in the bottom decile to \$220,891 in the top decile. Renter incomes range from \$21,426 to \$123,699.
- Based on these income levels, we have estimated the maximum purchase price (based on all household incomes) and maximum monthly rental rate (based on renter income) that each decile can afford to pay based on the PPS definition (shelter costs not exceeding 30% of gross annual household income) and standard ownership costs.
- These thresholds, however, do not account for any additional factors that further erode affordability, such as mortgage and down payment structure, closing costs, and security deposits. Availability of units at these price points is another major limiting factor for both owner and renter households.
- Additionally, those who already own a home and have experienced strong equity gains or those gaining from intergenerational wealth transfer would be able to afford a higher purchase price compared to first-time buyers.

Household Incomes by Decile, Greater Sudbury

Income Group	Decile Group	All Households Income (2022 estimate)*	Renter Income (2022 estimate)*
Low Income	1st	\$29,820	\$21,426
	2nd	\$45,945	\$28,716
	3rd	\$60,966	\$37,551
Moderate Income	4th	\$75,655	\$45,945
	5th	\$92,774	\$55,665
	6th	\$112,654	\$66,709
High Income	7th	\$138,057	\$78,969
	8th	\$168,982	\$97,192
	9th	\$220,891	\$123,699

*Incomes based on 2021 Census of Canada, inflated using CPI (Ontario) to estimate 2022 incomes.

Affordability Thresholds, Greater Sudbury

Income Group	Decile Group	Affordable Purchase Price*	Affordable Monthly Rental Rate**
Low Income	1st	\$97,546	\$536
	2nd	\$150,293	\$718
	3rd	\$199,428	\$939
Moderate Income	4th	\$247,478	\$1,149
	5th	\$303,477	\$1,392
	6th	\$368,508	\$1,668
High Income	7th	\$451,603	\$1,974
	8th	\$555,178	\$2,430
	9th	\$732,755	\$3,092

*Assumes shelter costs do not exceed 30% of gross household income. Accommodation costs include mortgage (25 years, 6.5% fixed 5-year rate, minimum 5% down payment, 1.38% property tax payment, 4.0% of loan amount for CMHC mortgage insurance).

**Assumes shelter costs do not exceed 30% of gross household income.

Affordability by Decile: Greater Sudbury

- As per the PPS, affordable *Ownership* housing is defined as the least expensive of:
 - Housing, for which mortgage costs do not exceed 30% of gross household income for households below the 6th income decile.
 - Housing, which is 10% below the average resale home.
- As reported by MMAH, the average resale price in Greater Sudbury in 2021 was \$357,535, which translates into an affordable purchase price of **\$321,782**.
- Notwithstanding the above, we note the average resale price has increased since this figure was released as assessed later in this report. For 2022, Re/Max reported an average resale price of \$473,586, translating into a \$426,227 affordable purchase price after a 10% discount. The affordable purchase price for the 6th decile is \$368,508. It is the least expensive of the two measures and therefore is the limiting factor.
- Affordable *Rental* Housing is the least expensive of:
 - Housing with a rental rate not exceeding 30% of gross household income below the 6th income decile.
 - Housing that is rented at or below the average market rent in the region.
- The Average Market Rents (AMR) determined by CMHC are identified below. Aside from three-bedroom units, AMR is below the rent affordable to those in the 6th income decile.

Average Apartment Rental Rates, Greater Sudbury (2022)

Bachelor	One-Bedroom	Two-Bedroom	Three-Bedroom	Total
\$796	\$931	\$1,248	\$1,359	\$1,145

Source: CMHC

Affordability Thresholds, Greater Sudbury

Income Group	Decile Group	All Households Income (2022 estimate)*	Affordable Purchase Price**
Low Income	1st	\$29,820	\$97,546
	2nd	\$45,945	\$150,293
	3rd	\$60,966	\$199,428
Moderate Income	4th	\$75,655	\$247,478
	5th	\$92,774	\$303,477
	6th	\$112,654	\$368,508
High Income	7th	\$138,057	\$451,603
	8th	\$168,982	\$555,178
	9th	\$220,891	\$732,755

*Incomes based on 2021 Census of Canada, inflated using Consumer Price Index (Ontario) to estimate 2022 incomes.

**Assumes shelter costs do not exceed 30% of gross household income. Accommodation costs include mortgage (25 years, 6.5% fixed 5-year rate, minimum 5% down payment, 1.38% property tax payment, 4.0% CMHC mortgage insurance).

Source: Provincial Policy Statement.

Limiting Factor and Greater Sudbury Affordable Purchase Price Threshold

Affordability Thresholds, Greater Sudbury

Income Group	Decile Group	Renter Income (2022 estimate)*	Affordable Monthly Rental Rate**
Low Income	1st	\$21,426	\$536
	2nd	\$28,716	\$718
	3rd	\$37,551	\$939
Moderate Income	4th	\$45,945	\$1,149
	5th	\$55,665	\$1,392
	6th	\$66,709	\$1,668
High Income	7th	\$78,969	\$1,974
	8th	\$97,192	\$2,430
	9th	\$123,699	\$3,092

*Incomes based on 2021 Census of Canada, inflated using Consumer Price Index (Ontario) to estimate 2022 incomes.

**Assumes shelter costs do not exceed 30% of gross household income.

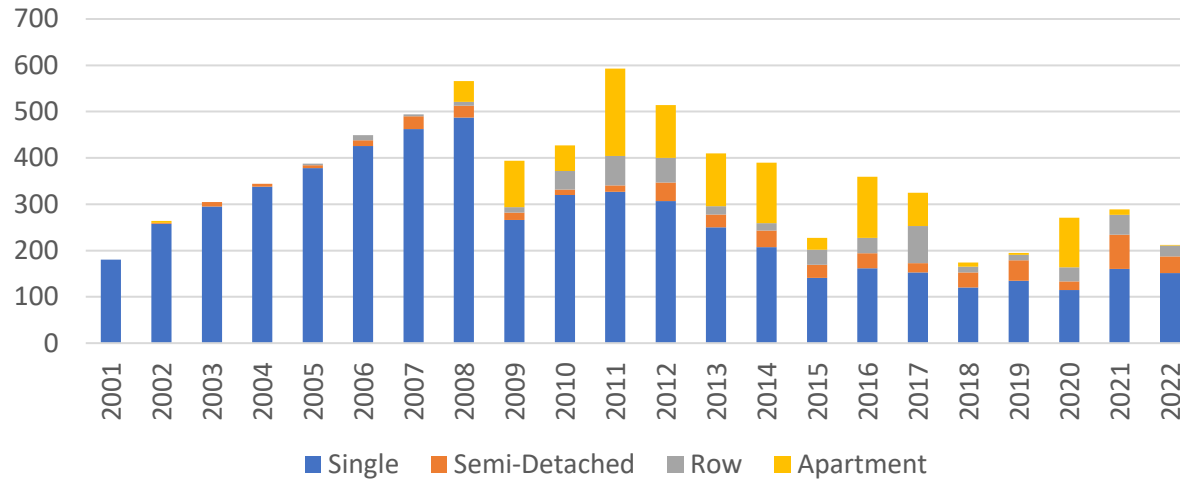
Source: Provincial Policy Statement.

Studio 1BR
2BR
3BR

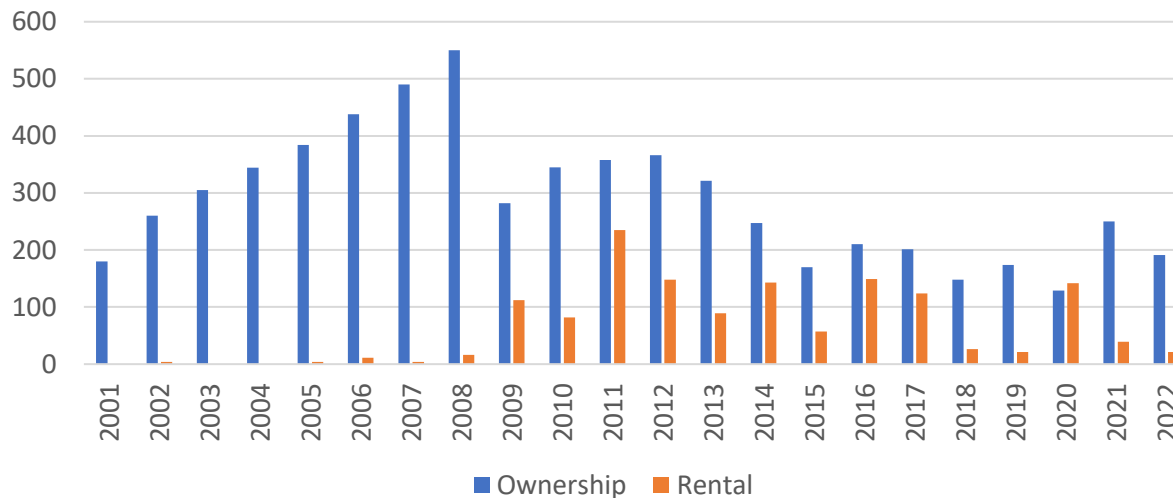
2.0 Greater Sudbury Housing Market



Greater Sudbury Housing Completions by Housing Type (CMHC)



Greater Sudbury Housing Completions by Tenure (CMHC)



- Housing completions in Greater Sudbury have been trending downward since it accommodated a high of almost 600 homes in 2011. Between 2005 and 2011, the City accommodated an annual average of 475 new homes, which decreased to an average of 305 new homes since 2012, and only 225 new homes over the past five years.
- While single-detached homes have historically accommodated the majority of new housing completions, Greater Sudbury has seen more semi-detached, row, and apartment completions in recent years.
- The number of more compact housing types like semi-detached and townhomes has been modest, even in recent years.
- As illustrated to the left, the vast majority of housing completions (~82%) in Greater Sudbury have been ownership tenure. However, rental activity has accelerated in recent years, accounting for 30% of housing activity since 2011.
- Nearly 98% of all apartment completions in Greater Sudbury have been rental.
- CMHC defines a completion as: the stage at which all the proposed construction work on a dwelling unit has been performed. A dwelling unit is defined as: structurally separate set of self-contained living premises and therefore excludes trailers, conversions or alterations within an existing structure, seasonal dwellings, hotels, etc.
 - The City of Greater Sudbury also reports on housing activity using building permits. This permit data may not exactly match the CMHC completion data due to differences in definitions, lag time between a building permit being issued and the unit being complete, whether the newly created unit is listed for rent through a public advertisement, and other similar considerations.

2.1 Ownership Resale* Market

*Existing homes being purchased in Greater Sudbury.
This existing housing stock is referred to as Resale Housing.



Resale Price Growth: Greater Sudbury

- Like many municipalities in Ontario, average resale pricing in Greater Sudbury has been rapidly increasing since 2020. Where Greater Sudbury housing has typically increased modestly (~5%), average prices increased by 11% in 2020 and over 20% in both 2021 and 2022. The average residential resale price in Greater Sudbury is now **\$452,500** as of July 2022, compared to \$138,900 in 2005.
- While varied, significant price appreciation has occurred across Greater Sudbury over the past 10 years. All of the local communities have experienced strong price gains over this period, ranging from 88.5% to 103.6%.
- Currently, Capreol and Onaping Falls have the most affordable residential prices of around \$300,000, while the former City of Sudbury remains the most expensive with an average price of \$488,500 (8% higher than the Regional average). Valley East and Rayside-Balfour follow closely behind with residential prices also above the average for Greater Sudbury.
- Rapid price appreciation across Ontario since 2017 is observed for a variety of factors including a sustained low-interest rate environment, historically low levels of housing supply relative to demand, strong annual immigration to Canada, the financialization of housing, and other similar factors.
- The impact of COVID-19 and emergence of work from home models is also having an impact, where higher income households in the Greater Toronto Area are moving to lower cost municipalities such as Sudbury, Kingston, Oxford County, and Windsor in search of affordable family homes – a trend often noted by local real estate agents.

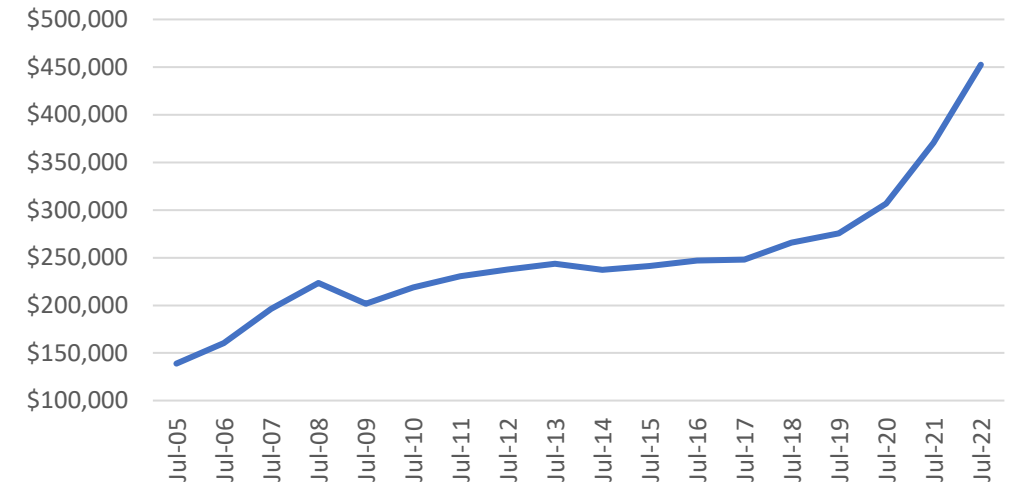
Residential Price Growth Rate, Greater Sudbury

July 2012 - July 2022

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
3.1%	2.6%	-2.7%	1.7%	2.4%	0.5%	7.2%	3.6%	11.4%	20.7%	22.1%

Source: Sudbury Real Estate Board

Residential Price Growth, Greater Sudbury (MLS)



Residential Price Growth, Greater Sudbury July 2012 – July 2022

Location	July 2012	July 2022	Change
Capreol	\$151,700	\$286,800	89.1%
Onaping Falls	\$148,900	\$303,200	103.6%
Nickel Centre	\$223,300	\$439,600	96.9%
Rayside-Balfour	\$247,000	\$465,500	88.5%
City of Sudbury*	\$260,400	\$488,500	87.6%
Valley East	\$247,400	\$476,700	92.7%
Walden	\$234,200	\$451,500	92.8%
Greater Sudbury	\$237,700	\$452,500	90.4%

*Residential price growth data by neighbourhood was unavailable.

Source: Sudbury Real Estate Board

Resale Market: Greater Sudbury

- The Bank of Canada began raising interest rates at a historical pace in February of this year, which has had immediate cooling effects for Ontario's housing market. Between February and August 2022, the average resale price decreased by 7.8% as a result of these unprecedented rate hikes. However, despite this decrease, home prices are still 12.7% higher than they were in August 2021 and appear to be increasing again.
- In addition to the above noted price correction, sales and listings also decreased as a result of these rate hikes: sales in Greater Sudbury decreased 11.1% in August 2022 compared to the same time last year.
- The above is due to interest rates and stress testing putting downward pressure on what purchasers can afford to pay as well as contributing to consumer confidence and market uncertainty.
- In the second quarter of 2022, resale homes also spent the shortest median days on market ever recorded in any quarter. During this period, single-detached homes spent a median of **8 days** on the market, down from 10 in the second quarter of 2021.
- The number of home sales under \$400,000 has declined rapidly since 2021, while the number of sales above \$500,000 has been rapidly increasing. Properties priced between \$400,000 and \$500,000 also spent the least days on market, indicating strong market demand for homes in this affordable price range.
- These market trends suggest that, even with more balanced market conditions brought about by rising interest rates, the resale market in Greater Sudbury appears to be strong with demand for housing significantly outpacing the supply of homes (evidenced by strong price growth, low months of inventory, and quick pace of sales).
- Local households will therefore likely continue to face affordability challenges in the ownership market. Limited new and resale housing supply will continue to put upward pressure on prices as population grows while higher mortgage rates and stricter qualification requirements will pose barriers for many potential buyers, particularly those entering the market for the first time.

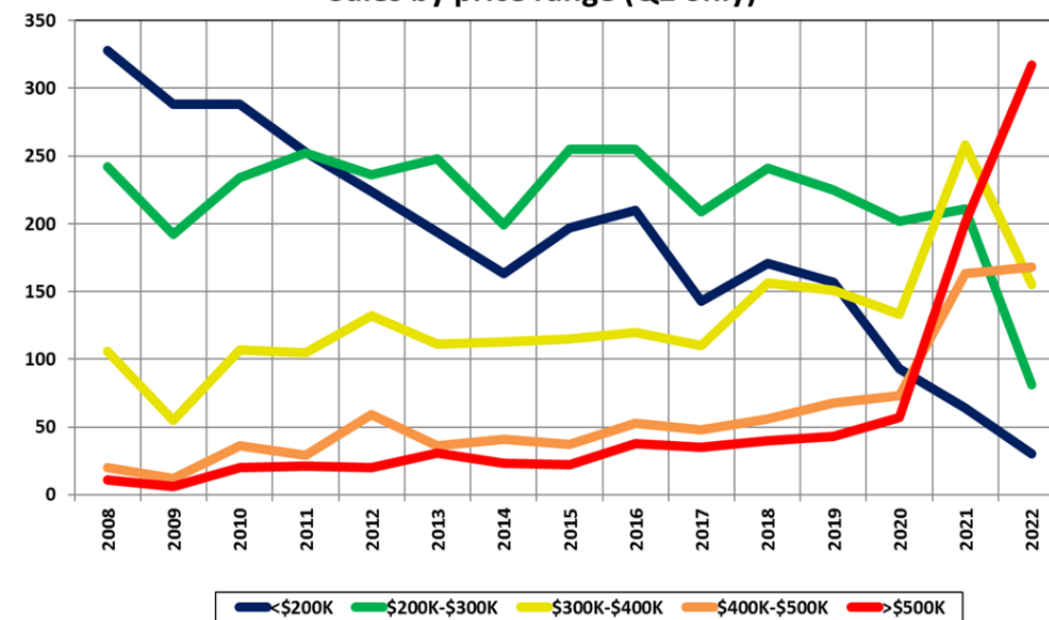
**Months of inventory indicate the amount of time it would take to sell current inventories at the current rate of sales activity.*

Average Residential Sale Price, Greater Sudbury

Aug '22	Jul '22	May '22	Feb '22	Aug '21	Aug '19	Aug '17
\$428,700	\$452,500	\$470,500	\$464,900	\$380,500	\$271,700	\$246,800
Change:	-5.2%	-8.9%	-7.8%	12.7%	57.8%	73.7%

Source: Greater Sudbury Real Estate Board

MLS® Single Detached Homes Sales by price range (Q2 only)



Sales by Price Range, Year-over-Year Percentage Change

Time Period	<200K	\$200K-\$300K	\$300K-\$400K	\$400K-\$500K	>500K
Q2 '21 - Q2 '22	-53.1%	-61.6%	-39.9%	3.1%	57.7%

Source: Canadian Real Estate Association

Available Resale Listings: Greater Sudbury

- As of September 2022, a little over 200 properties were listed for sale in Greater Sudbury. Available pricing ranged from \$149,900 to \$949,900 for single detached homes and from \$1,200,000 to \$7,800,000 for cottages and lakefront properties. These vacation homes were excluded from the average resale pricing summarized in the tables on the right due to the disproportional effect they would have within the sample.
- Capreol/Valley East, Onaping Falls and Rayside-Balfour had the most expensive listings across all former municipalities, on average exceeding \$500,000. These properties typically had much bigger lots and larger square footage.
- In the former City of Sudbury, the highest average list price was found in Downtown, South End and New Sudbury. These neighbourhoods had an average list price between \$508,928 and \$580,357. Copper Cliff and Donovan, on the other hand, both had an average list price of under \$300,000.
- Overall, pricing ranged from an average of around \$400,000 for a two-bedroom home to about \$565,000 for five bedrooms.
- Almost all properties listed for sale were single-detached homes, with just 10 listings available for higher-density housing types, such as semis, duplexes, townhomes and condominium apartments, which tend to offer a greater depth of affordability.
- Although over the past 12 months homes in Greater Sudbury on average sold 10% over asking, it is unclear whether or not this trend will prevail across all price ranges and unit types as the market continues to shift towards more balanced conditions.

Average Resale List Price by Location, Greater Sudbury

As of September 2022

Capreol/ Valley East	Onaping Falls	Nickel Centre	Rayside- Balfour	Sudbury	Walden	Total
\$543,022	\$519,920	\$461,736	\$522,800	\$468,059	\$425,156	\$485,426

Source: Realtor.ca

Average Resale List Price by Location, City of Sudbury

As of September 2022

Copper Cliff	Donovan	Downtown	Flour Mill	Minnow Lake	New Sudbury	South End	West End
\$261,600	\$275,588	\$580,357	\$389,767	\$461,021	\$508,928	\$551,704	\$396,633

Source: Realtor.ca

Average Resale List Price by Bedroom Type, Greater Sudbury

As of September 2022

Two-Bedroom	Three-Bedroom	Four-Bedroom	Five-Bedroom and Up
\$399,541	\$461,913	\$552,243	\$564,632

Source: Realtor.ca

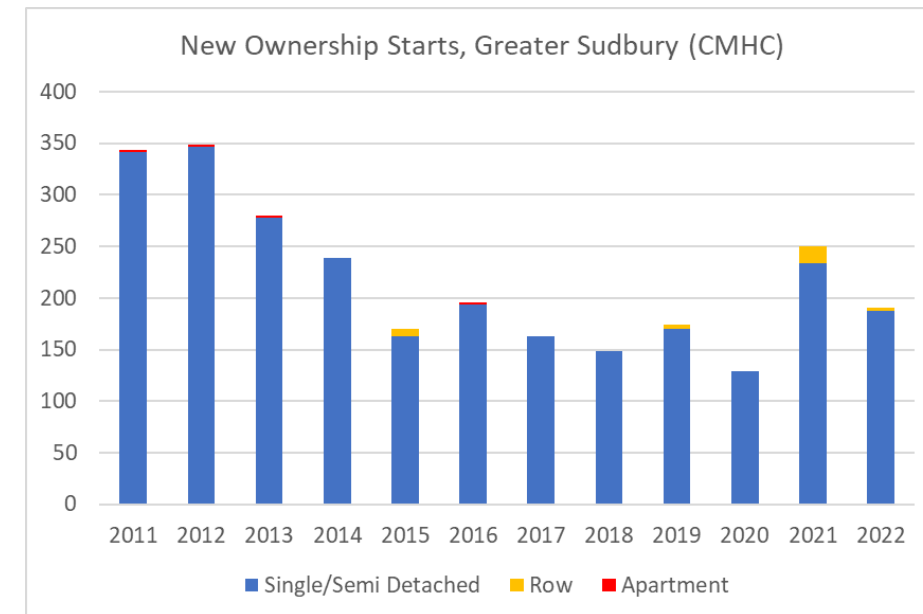
2.2 Ownership New Sale* Market

*New homes being purchased from actively marketing pre-construction projects across Greater Sudbury. These include new subdivisions, new condominium buildings, and other similar new housing projects. This 'under development' housing stock is referred to as New Sale Housing.



New Ownership Housing: Greater Sudbury

- Rapid price growth in the resale market is largely driven by insufficient inventories that fall short of rising demand. A lack of new housing construction is further putting strain on the existing housing stock, pushing prices upward at an unprecedented rate. Up until recently, high construction costs coupled with relatively moderate resale prices and economic growth made it harder for new construction projects to compete in the market.
- Between 2012 and 2017, the number of new ownership starts in Greater Sudbury was consistently declining year over year, corresponding with modest population and economic growth. Starting in 2018, when residential prices increased at its highest rate in over five years, new housing starts began trending upward. The next few years of rapid price growth resulted in 288 new ownership housing starts in 2021 – the highest level of new construction in almost 10 years. Over this period, new construction has been largely concentrated in South End, Rayside-Balfour, New Sudbury (including Minnow Lake), and Capreol/Valley East.
- Currently, new single-detached homes in Greater Sudbury are on average priced at \$518,219 – 14% above the average resale price in the Region. Pricing ranges from an average of \$435,900 for a two-bedroom home to an average of \$663,233 for a four-bedroom unit. The cheapest available single-family home was listed for \$339,900 with pricing going up to \$1,299,900.
- Semi-detached homes are the most affordable form of low-density housing, currently priced 30% below the average residential sale price. These homes, however, tend to be smaller in size offering mainly two- and three-bedroom layouts. New semi-detached pricing in Greater Sudbury ranges from an average of \$334,275 for two bedrooms to \$354,515 for three bedrooms. The cheapest available new semi-detached home was listed for \$299,900 with the most expensive unit priced at \$589,900.
- New low-density projects in Greater Sudbury typically range between 20 and 45 units and often advertise custom design and high-end finishes. These homes are usually located in newer family-oriented neighbourhoods and cater to middle and upper-middle households. At the time of the survey, there were no available townhomes or condominium apartments.



New Ownership Starts by Location, Greater Sudbury

Year	Onaping Falls Walden	Old Sudbury	New Sudbury	Nickel Centre	Rayside- Balfour	South End	Valley East Capreol
2017- 2021	10.7%	5.7%	18.5%	9.8%	20.4%	22.2%	16.7%
2011- 2021	9.8%	9.5%	20.3%	9.1%	16.2%	24.8%	18.2%

Source: CMHC

New Home Pricing, Greater Sudbury As of August 2022

Unit Type	Detached	Semi-Detached
Two-Bedroom	\$435,900	\$334,275
Three-Bedroom	\$476,811	\$354,515
Four-Bedroom	\$663,233	-
Five-Bedroom	\$1,199,950	-
Average:	\$518,219	\$346,805

Source: Marketing Materials

New Ownership Housing Price Growth: Greater Sudbury

- According to CMHC, new single- and semi-detached prices increased by 42.5% from \$372,831 in 2011 to \$531,176 in 2021. Most of this growth occurred between 2011 and 2017 when there was a larger number of units absorbed in the market each year and a smaller share of semi-detached homes, which are typically priced more competitively.
- When looking at single-detached homes alone, there still was a considerable amount of growth between 2017 and 2021. During that period prices increased by nearly 15% from an average \$524,800 to \$596,477. Between 2011 and 2021, price growth for new single-detached homes totaled 60%.
- Given a small number of new housing completions, these rates are also subject to each project's market positioning and pricing strategy that could cause significant price variation year over year.

New Single- and Semi-Detached Price Growth, Greater Sudbury

Average Price			Price Growth	
2011	2017	2021	2011-2017	2011-2021
\$372,831	\$524,800	\$531,176	40.8%	42.5%

Source: CMHC

New Single-Detached Price Growth, Greater Sudbury

Average Price			Price Growth	
2011	2017	2021	2011-2017	2011-2021
\$372,831	\$524,800	\$596,477	40.8%	60.0%

Source: CMHC

Sample of Available New Ownership Housing: Greater Sudbury

Moonglo, South End

Single-Detached
\$709,900 – \$1,299,900



Applewood, Garson

Single- and Semi-Detached
\$299,900 - \$699,900



New Holland, New Sudbury/Minnow Lake

Single- and Semi-Detached
\$589,900 - \$799,900



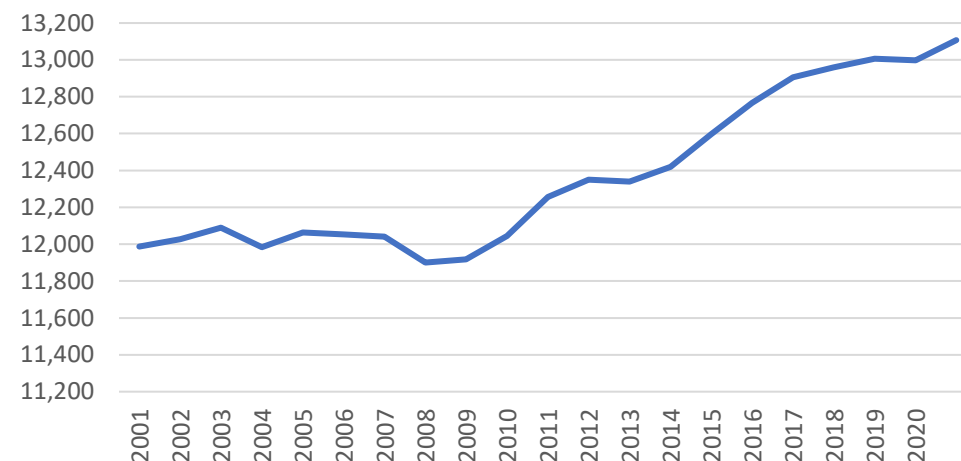
2.3 Rental Market



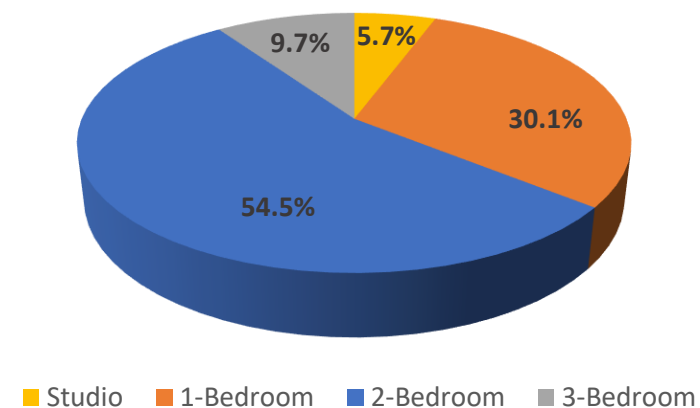
Greater Sudbury Purpose-Built Rental Inventory

- Currently, there are 13,107 purpose-built rental units in Greater Sudbury – 11,760 apartments (89.7%) and 1,347 townhouses (10.3%). As opposed to many urban centers in Ontario, the inventory of purpose-built rental units in Greater Sudbury has been steadily increasing over the past 10 years. However, the increase has been modest, with a net average of just 85 new units added each year.
- In the past 10 years, out of all former municipalities, rental inventory has only declined in Nickel Centre (-17.8%), Walden (-5.8%) and Capreol/Valley East (-3.2%). Over the same period, all neighbourhoods in the former City of Sudbury had a positive net increase in rental inventory, ranging from 3.3% in Donovan to 21.5% in Minnow Lake.
- Two-bedroom units account for about 55% of the total rental stock in Greater Sudbury. Two-bedroom units are by far the most common apartment type, while the share of two- and three-bedroom townhomes is split more evenly (51.7% and 47.2% respectively). Another 30% of the total inventory consists of one-bedroom units, while studio and three-bedroom units each comprise less than 10% of the rental stock.
- Almost 85% of all rental units (11,108 units) are located in the City of Sudbury and the remaining 15% (1,999 units) are located in the other former municipalities.
- In Sudbury, rental inventory is largely concentrated in South End (27.5%), New Sudbury (20.6%) and Flour Mill (15.3%). Only about 10% of Sudbury's rental stock is located in Downtown. Of the 976 rental townhomes in Sudbury, 44% are located in New Sudbury, 23% in South End and 14% in Copper Cliff.
- Outside of the former City of Sudbury, 43% of all rental units are located in Rayside-Balfour, 20% in Nickle Centre and 15% in Capreol/Valley East. Rental townhomes are mainly located in Nickle Centre (40%) and Rayside-Balfour (39%).
- See following page for data tables.

Greater Sudbury Purpose-Built Rental Inventory (CMHC)



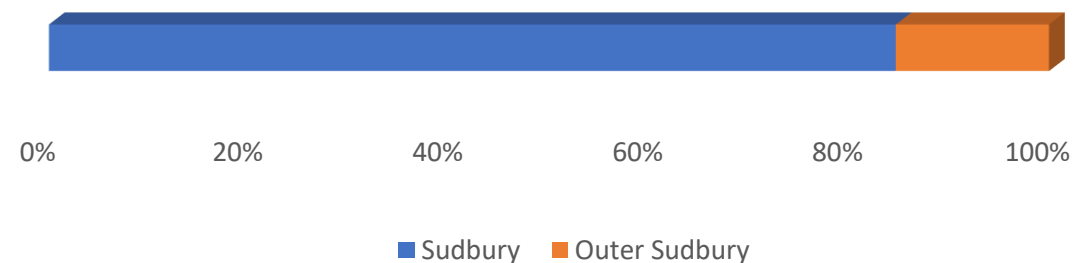
Greater Sudbury Rental Inventory by Unit Type (CMHC)



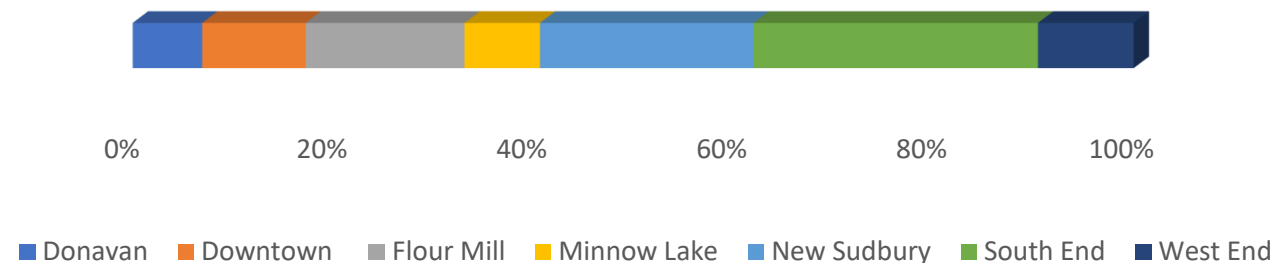
Greater Sudbury Purpose-Built Rental Inventory (October 2021)				
Location	Apartments	Townhouses	Total	Share
Copper Cliff	232	138	370	3.3%
Donovan	739	6	745	6.7%
Downtown	1,091	18	1,109	10.0%
Flour Mill	1,646	57	1,703	15.3%
Minnow Lake	786	23	809	7.3%
New Sudbury	1,857	432	2,289	20.6%
South End	2,832	223	3,055	27.5%
West End	949	79	1,028	9.3%
Sudbury	10,132	976	11,108	84.7%
Capreol/Valley East	244	54	298	14.9%
Nickel Cnetre	255	147	402	20.1%
Onaping Falls	145	11	156	7.8%
Rayside-Balfour	708	145	853	42.7%
Walden	192	4	196	9.8%
Wanapitei	84	10	94	4.7%
Former Municipalities	1,628	371	1,999	15.3%
Greater Sudbury	11,760	1,347	13,107	100%

Source: CMHC

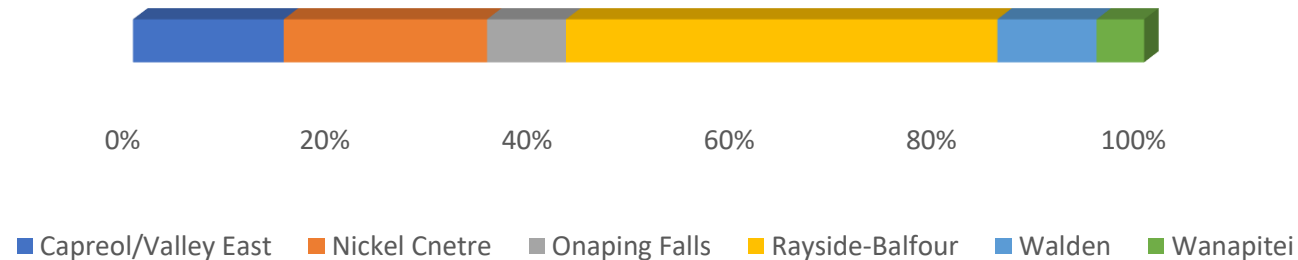
Greater Sudbury Rental Inventory (CMHC)



Sudbury Rental Inventory by Neighbourhood (CMHC)



Greater Sudbury Rental Inventory by Municipality (CMHC)



Vacancy Rates and Rental Rate Growth: Greater Sudbury

- Over the past 10 years, the average vacancy rate in Greater Sudbury has generally stayed below 5%, indicating strong demand for rental housing. A vacancy rate below 5% usually means that market conditions are tight and that available supply is not keeping pace with demand.
- In 2021, the average vacancy rate in Greater Sudbury declined to 1.6%, reaching its lowest point in over 10 ten years. The vacancy rate began to decline below balanced conditions in 2016, corresponding with rapid rental rate growth over this period and growth in home prices. The vacancy rate was significantly lower for rental townhomes - 0.7% compared to 1.8% for rental apartments due to limited inventory.
- Rental rate growth varied year over year, but generally remained positive in the last 10 years. In 2021, rental rate growth reached its all-time peak of 11.6%, driven primarily by low vacancy rates and rising demand. The average rental rate recorded by CMHC in Greater Sudbury grew from \$982 in 2017 to \$1,195 in 2021 – a 22% increase.
- However, CMHC rental rates tend to be below market rates due to a large proportion of older rent-controlled units in the sample. According to CoStar Group, a real estate data and analytics platform, the average *asking market* rental rate in Q3 2021 was 35% higher than that recorded by CMHC - \$1,615 compared to \$1,195. The gap between market and CMHC rental rates exceeded 30% for all unit types and reached nearly 70% for studio apartments. The average *asking market rate* reflects what prospect renters could expect to pay if they were looking to rent a unit at the time of the survey.
- In August 2022, the average *market* rental rate in Greater Sudbury was \$1,646 – an 8% increase from \$1,568 in August 2021. That same month, CoStar Group also reported a vacancy rate of 0.5% based on a 30% sample of the total rental inventory. This vacancy rate translates into roughly 66 available units in the entire Region.

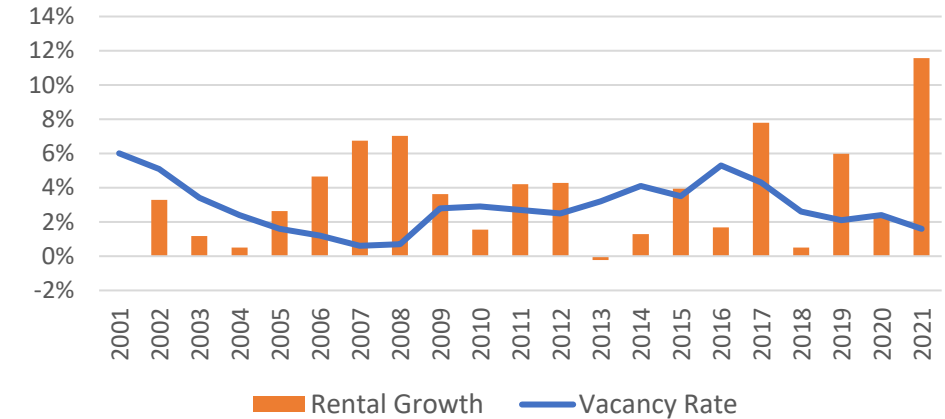
Average Market Rental Rates, Greater Sudbury

As of August 2022

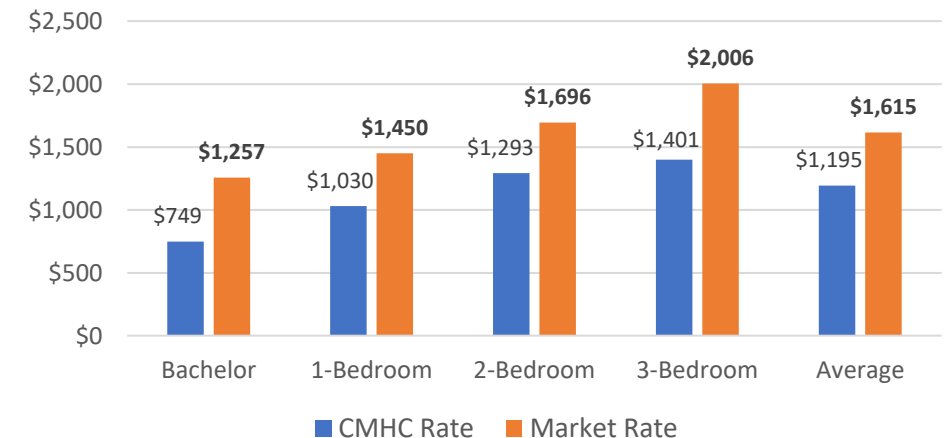
Bachelor	One-Bedroom	Two-Bedroom	Three-Bedroom	Average
\$1,284	\$1,481	\$1,731	\$2,049	\$1,646

*Source: CoStar Group

Vacancy Rates and Rental Growth, Greater Sudbury (CMHC)



CMHC and Market Rental Rates, Greater Sudbury (Q3 2021 – CMHC and CoStar)



Vacancy and Rents by Building Type, Size, and Price: Greater Sudbury

- As detailed on the previous slide, Greater Sudbury's vacancy rate is well below balanced conditions and has been trending downward for several years. At the same time, rental rates are growing rapidly.
- Looking at bedroom types, two-bedrooms units have a lower overall vacancy rate than one-bedroom units, which has also consistently been the case over the past ten years. Three-bedroom units (data suppressed in 2021 due to small sample size) has typically accommodated higher vacancy than both one and two-bedroom units historically.
- Evaluating vacancy and rental rates by building size, building age, and rent quartile reveals several interesting findings:
 - Vacancy is tighter for newer and more expensive housing. The vacancy of rental units in the highest quartiles is ~1%, and under 1% for apartments built after 1980. There is virtually no availability within the City's new rental stock constructed after 2000.
 - At the same time, vacancy rates shrink and rents increase as the size of apartment building increases. This indicates that demand appears strongest for large buildings that are likely professionally managed with building amenities.
- In expensive housing markets, we would expect to see tighter vacancy in the older and less expensive rental housing stock. However, in markets such as Greater Sudbury, moderate and high-income tenants often have significant choice when deciding where to live (e.g., new rental apartment, rental single-family homes, purchase a home or condominium).
- The above indicates that there is very strong demand for new market-rate apartments.
- While vacancy is higher for the older apartments, it still remains well below balanced conditions. This housing stock also provides lower cost accommodation to lower income households, which are in short supply across the City. It is likely that the small number of vacant/available units are also lower quality and in need of repair/investment.

Vacancy and Average Rent by Bedroom Type

	1BR	2BR	3BR+	Total
Vacancy Rate	2.3%	1.0%	-	1.6%
Average Rent	\$1,030	\$1,293	\$1,401	\$1,195

Source: CMHC

Vacancy Rate by Rent Quartile

	Q1	Q2	Q3	Q4
Vacancy Rate	-	2.8%	1.0%	1.2%

Source: CMHC

Vacancy and Average Rent by Year of Construction

	Before 1960	1960-1979	1980-1999	2000+
Vacancy Rate	-	1.4%	0.5%	0.3%
Average Rent	\$923	\$1,220	\$1,194	\$1,539

Source: CMHC

Vacancy and Average Rent by Structure Size

	3-5 units	6-19 units	20-49 units	50-199 units
Vacancy Rate	-	2.5%	0.8%	0.4%
Average Rent	\$956	\$1,038	\$1,181	\$1,414

Source: CMHC

Vacancy and Rental Rates: City of Sudbury

- In Q3 2021, the average rental rate reported by CMHC for the City of Sudbury was 34% lower than the average *market* rent recorded by CoStar Group - \$1,203 compared to \$1,609. The gap ranged from 6.7% in South End to 54.6% in New Sudbury. Market rental rates for this period were unavailable in Minnow Lake, West End and Copper Cliff.
- The CMHC AMR is calculated by surveying all rents in a community, including vacant and occupied units. They therefore include the rent paid by long-term tenants living in rent controlled units, older building, new buildings, etc. They do not accurately represent the rent a prospective tenant would have to pay for a newly advertised unit. The rents reported by CoStar and in our primary survey only represent the rents currently advertised, which are therefore higher than the CMCH averages.
- The CMHC AMR is therefore often an affordable benchmark, and often used as a threshold for affordable rental housing (including the City's Affordable Housing CIP).
- From Q3 2021 to Q3 2022, the average asking *market* rental rate in the City of Sudbury increased by 3.8% from \$1,609 to \$1,670. Rents ranged from an average \$1,284 for a studio to an average \$2,049 for a three-bedroom apartment as summarized in the table below.
- New Sudbury and South End currently have the highest average rental rates, while Downtown remains the most affordable neighbourhood in the former City of Sudbury. However, it should be noted that limited available inventory (i.e., sample size) and a lack of variation in unit types within the sample might be skewing the rates presented in the table.
- In August 2022, vacancies ranged from 0.3% in New Sudbury and Flour Mill to 2.4% in Donovan for an overall **0.6%** across the City of Sudbury. Vacancy rates were unavailable in Minnow Lake and West End.
- The average vacancy rate in the City of Sudbury is consistent with the average vacancy rate in Greater Sudbury.

Average Rental Rates by Bedroom Type, City of Sudbury

As of August 2022

Bachelor	One-Bedroom	Two-Bedroom	Three-Bedroom
\$1,284	\$1,490	\$1,785	\$2,049

Source: CoStar Group

Average CMHC and Market Rental Rates, City of Sudbury Q3 2021

Neighbourhood	CMHC	Market	Gap
Donovan	\$1,126	\$1,503	33.5%
Flour Mill		\$1,227	9.0%
Downtown	\$993	\$1,095	10.3%
Minnow Lake	\$1,187	-	-
New Sudbury	\$1,211	\$1,872	54.6%
South End	\$1,483	\$1,583	6.7%
West End	\$937	-	-
Copper Cliff		-	-
City of Sudbury	\$1,203	\$1,609	33.7%

Source: CMHC, CoStar Group

Vacancy and Market Rental Rates, City of Sudbury

As of August 2022

Neighbourhood	Rental Rate	YOY Increase	Vacancy Rate
Copper Cliff	\$1,486	-	2.1%
Donovan	\$1,549	3.1%	2.4%
Downtown	\$1,125	2.7%	0.5%
Flour Mill	\$1,261	2.8%	0.3%
Minnow Lake	\$1,523	-	-
New Sudbury	\$1,946	4.0%	0.3%
South End	\$1,645	3.9%	0.7%
West End	\$1,424	-	-
City of Sudbury	\$1,670	3.8%	0.6%

Source: CoStar Group, NBLC

Typical Purpose-Built Rental Buildings: City of Sudbury

1140 Ramsey View Court

Offers Studio, One- and Two-Bedroom Units
Average Asking Rent: \$1,620



Mapleview Apartments

Offers One- and Two-Bedroom Units
Average Asking Rent: \$1,426



St. Raphael Apartments

Offers One-Bedroom Units
Average Asking Rent: \$1,131



Lakeshore Apartments

Offers Studio, One-, Two- and Three-Bedroom Units
Average Asking Rent: \$1,614



The Ultramod Apartments

Offers One- and Two-Bedroom Units
Average Asking Rent: \$1,320



1310 Nesbitt Drive

Offers Studio, One- and Two-Bedroom Units
Average Asking Rent: \$1,647



Vacancy and Rental Rates: Former Municipality/Community

- Outside of the City of Sudbury, rents are typically 12% to 29% cheaper, however, the range of available unit types is much more limited. Rental buildings in former municipalities tend to be older, featuring fewer upgrades and amenities. There is also less availability outside of the City of Sudbury due to a smaller total inventory - 1,999 units compared to 11,108 in the City of Sudbury. For example, Lively Apartments – one of the few *high-rise* apartment buildings outside of the City of Sudbury, has a minimum waiting list of one and a half to two years, reaching three and a half years for their largest two-bedroom units with a balcony.

Vacancy and Rental Rates, Former Municipality/Community As of August 2022

Municipality	Rental Rate	YOY Increase	Vacancy Rate
Onaping Falls/Walden	\$1,320	-	0%
Nickel Centre	\$1,292	-	2.8%
Rayside-Balfour	\$1,474	4.7%	0.1%
Valley East/Capreol	\$1,482	5.4%	0.2%

Source: CoStar Group, NBLC

Lively Apartments (Walden)

Offers One- and Two-Bedroom Units
Average Asking Rent: \$1,320



Place Notre Dame (Rayside-Balfour)

Offers One- and Two-Bedroom Units
Average Asking Rent: \$1,317



Garson Apartments (Nickel Centre)

Offers Two- and Three-Bedroom Units
Average Asking Rent: \$1,400



Rental Townhomes: Greater Sudbury

- In Greater Sudbury, there are 1,347 rental townhouse units, 72% of which are located in the former City of Sudbury. These units typically offer larger layouts primarily catering to families.
- In October 2021, CMHC recorded an average rent of \$1,338 and \$1,404 for two- and three-bedroom and above townhomes, respectively. The vacancy rate for two-bedroom units was slightly higher than three-bedrooms – 6.6% compared to 4%.
- As was previously mentioned, CMHC rates tend to be below market rates, and do not accurately represent what is currently available in the market. Our primary survey of 439 units across five projects in Greater Sudbury found an average starting rent of **\$2,046**. Out of the five surveyed projects, only one had upcoming availability for three-bedroom units, while others had a wait list of at least 60 days.

Average CMHC Townhouse Rental Rates, Greater Sudbury October 2021

Two-Bedroom	Three-Bedroom	Total
\$1,338	\$1,404	\$1,355

Source: CMHC

Starting Townhouse Market Rental Rates, Greater Sudbury As of August 2022

Two-Bedroom	Three-Bedroom	Four-Bedroom	Average
\$1,899 - \$2,299	\$1,785 - \$2,299	\$1,895	\$2,046

Source: NBLC

1717 Lansing Ave (New Sudbury)

Offers Two- and Three-Bedroom Units

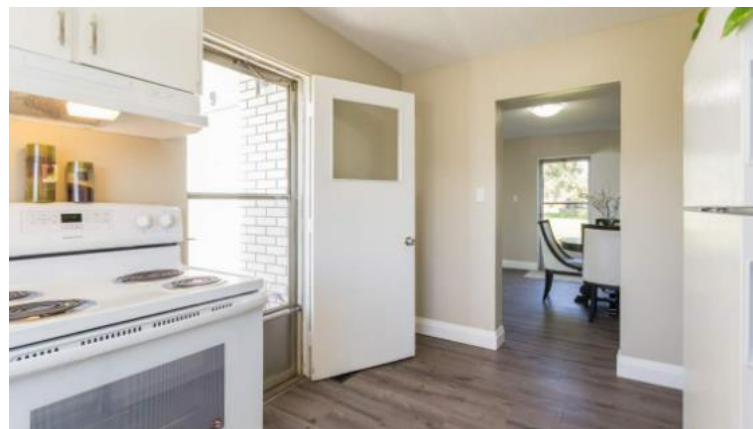
Average Asking Rent: \$2,249



West Side Village (Copper Cliff)

Offers Three- and Four-Bedroom Units

Average Asking Rent: \$1,840



889 Chestnut (New Sudbury)

Offers Two-Bedroom Units

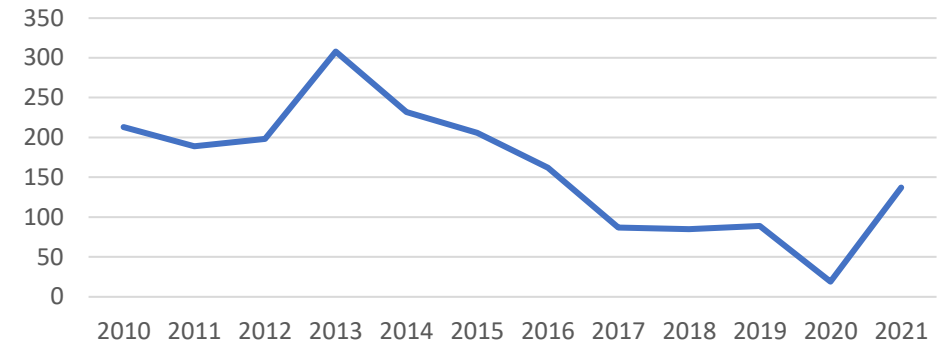
Average Asking Rent: \$2,199



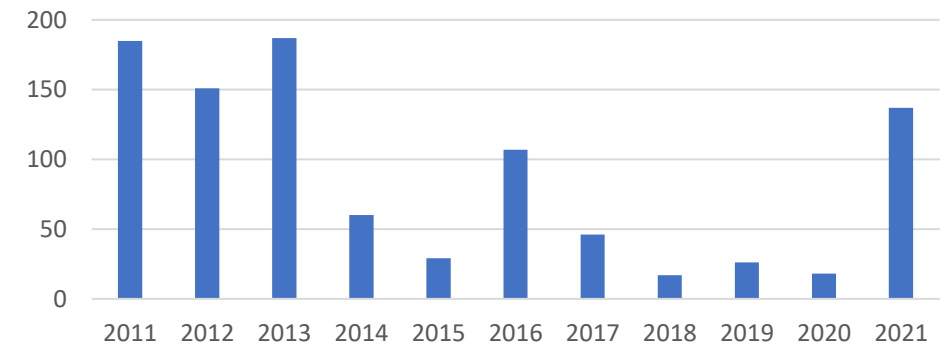
New Purpose-Built Inventory: Greater Sudbury

- Despite low vacancy rates and rising rents, which indicate strong market demand for rental housing, new rental investment has been quite limited over the past five years. Between 2017 and 2021, Greater Sudbury had only 244 new rental starts compared to 534 new rental units between 2012 and 2017.
- All of the new under-construction inventory is currently located in Minnow Lake, where two new buildings totaling 140 units are being added to Waterview Apartments, an existing rental complex at 1290 Bancroft Drive.
- With limited new investment, Greater Sudbury's rental stock is getting quite dated. As of October 2021, almost 70% of the rental inventory was constructed before 1980 and less than 10% after 2000. Despite some common upgrades frequently found in local rental buildings, such as new kitchen and bathroom cabinets, hardwood floors and stainless steel appliances, many of these properties do not have enough structural capacity to support major upgrades such as central air conditioning or in-suite laundry, meaning that some potential renters might not be able to find suitable accommodations even with a bigger budget.
- Not surprisingly, newer rental buildings typically have a vacancy rate of 0% despite higher rents. For example, Churchill Residence, a 24-unit rental building completed in New Sudbury in 2017, currently has no upcoming availability and a waitlist of 25 people despite higher than average rental rates. Rents at Churchill Residence start at **\$2,000** plus utilities for two bedrooms – the only bedroom type offered at this project.
- 1351 Paris Street, a 65-unit rental project completed in South End in early 2020 also had no availability at the time of the survey. Consisting entirely of three-bedroom units, this project reached a 92% lease-up rate in the first month of occupancy. The starting rental rate at 1351 Paris Street is **\$3,400** a month.
- Similarly, Billiards Green, a new rental townhouse project in South End, already has a waitlist for its second phase planned for occupancy in 2023. Earlier this year, a three-bedroom plus den townhouse at this project was listed at **\$3,200** a month.

Under-Construction Rental Units, Greater Sudbury (CMHC)



Purpose-Built Rental Starts, Greater Sudbury (CMHC)



Rental Inventory by Construction Period, Greater Sudbury

Before 1960	1960 - 1979	1980 - 1999	2000 and Later
24.5%	44.4%	22.9%	8.2%

Source: CMHC

New Purpose-Built Inventory: Greater Sudbury

- Both old and new rental stock in Greater Sudbury has very low vacancy rates, indicating that demand for rental housing is strong across all market segments. Recently renovated units offer mid-point pricing close to or slightly above the average rates in the Region. Older units with fewer upgrades typically rent below the market average, although pricing varies depending on location. Newer units rent significantly above the market average. Rents in these new projects are primarily influenced by in-suite amenities, such as ensuite laundry, brand new stainless steel appliances and self-controlled heating and cooling, as they typically do not offer any building amenities, often found in older buildings.
- With limited new investment in purpose-built rental and a tightening ownership market, demand for rental units will likely keep growing, further driving rental rate growth across the entire Region.

Starting Rental Rates by Property Type, Greater Sudbury

Type	Studio	One-Bedroom	Two-Bedroom	Three-Bedroom
Old Stock	\$1,000	\$1,250	\$1,400	\$1,450
Renovated Stock	\$1,300	\$1,450	\$1,650	\$1,900
New Stock	-	-	\$2,000	\$3,200

Source: CoStar, NBLC

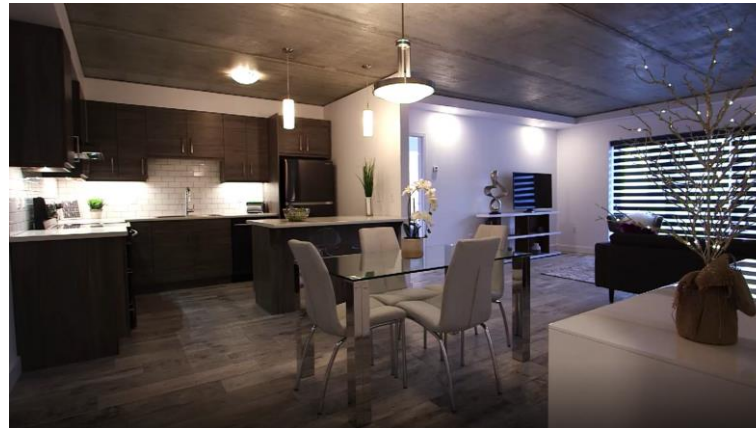
1351 Paris Street (South End)

Offers Three-Bedroom Units
Starting Asking Rent: \$3,400



Churchill Residence (New Sudbury)

Offers Two-Bedroom Units
Starting Asking Rent: \$2,000



Billiards Green (South End)

Offers Two- and Three-Bedroom Units
Starting Asking Rent: \$3,200



Secondary Rental Market: Greater Sudbury

- As in most Ontario markets, the gap between rental supply and demand in Greater Sudbury is partly filled through privately leased units. However, given the size of the secondary rental market in the Region, there is still insufficient inventory to address the shortage of rental units in Greater Sudbury. In 2021, less than 2% of all rental households lived in privately leased condominiums, and with less than 150 new condominium completions since 2011, the market share of these units likely has not changed. At the time of the report there were no condominium units available for lease.
- There were, however, nine single- and semi-detached homes and four multi-plex apartments listed for rent. Pricing ranged from \$1,650 to \$2,625 for an entire home and from \$1,495 to \$2,800 for an apartment (i.e., plex building). These listings averaged **\$2,296** and **\$2,049** respectively. The majority of listings were for two- and three-bedroom units. Additionally, nine rooms were available for an average of \$589 a month.

Available Private Listings, Greater Sudbury

Type	One-Bedroom	Two-Bedroom	Three-Bedroom +
House	-	\$2,500	\$2,093
Apartment*	\$1,495	\$1,700	\$2,200
Single Room	\$589		

*Includes single-floor apartments and units in multi-plex buildings.
Source: Realtor.ca, Kijiji*

Four-Bedroom Detached

List Price: \$1,995



Three-Bedroom Detached

List Price: \$1,650



Three-Bedroom Semi-Detached

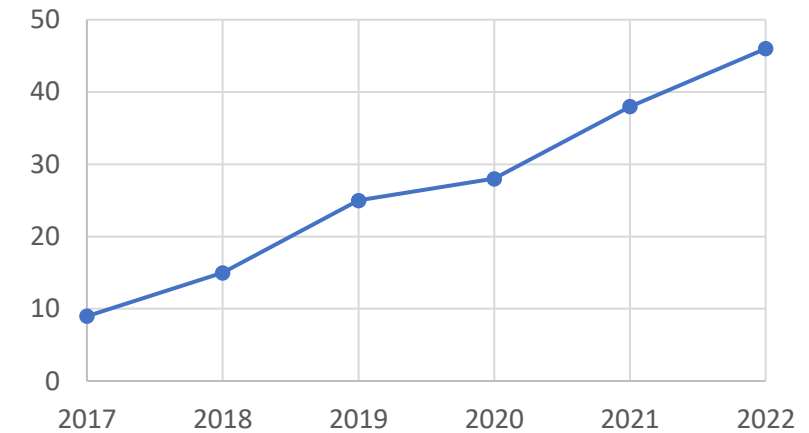
List Price: \$2,800



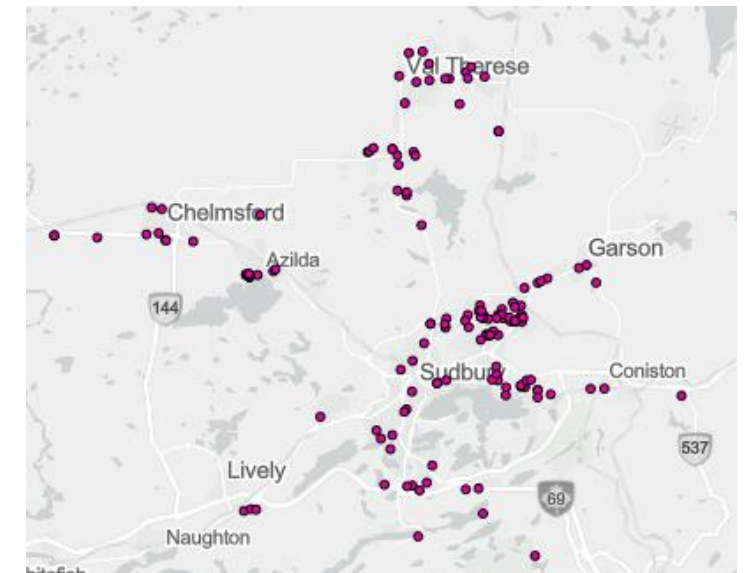
Secondary Rental Market (Secondary Dwelling Units): Greater Sudbury

- Since 2017, 115 new secondary suites have been registered with the City. As illustrated to the right, the number of units has increased year-over-year, from 9 in 2017 to 38 in 2021. The increase in registered units is at least partly attributed to policy changes enacted by the City in 2017 and the removal of Development Charges for these units in 2019. Secondary dwelling units have also been widely distributed across the City of Greater Sudbury over this period, with the largest concentration observed within the Former Municipality of Sudbury.
- Currently, there are only seven basement apartments listed for lease in Greater Sudbury. Rents range from \$1,350 to \$2,200 for an average of \$1,593. However, within such a small sample size, factors such as location, unit size and quality of finishes have an outlying impact on pricing. Three of the listings were one-bedroom units with an average rent of \$1,483, three listings were for two-bedroom apartments averaging \$1,500, and one listing for a three-bedroom unit for \$2,200.

of Registered Secondary Dwelling Units 2017-2022



Location of Registered Secondary Dwelling Units



Three-Bedroom Basement Apartment

List Price: \$2,200



One-Bedroom Basement Apartment

List Price: \$1,600

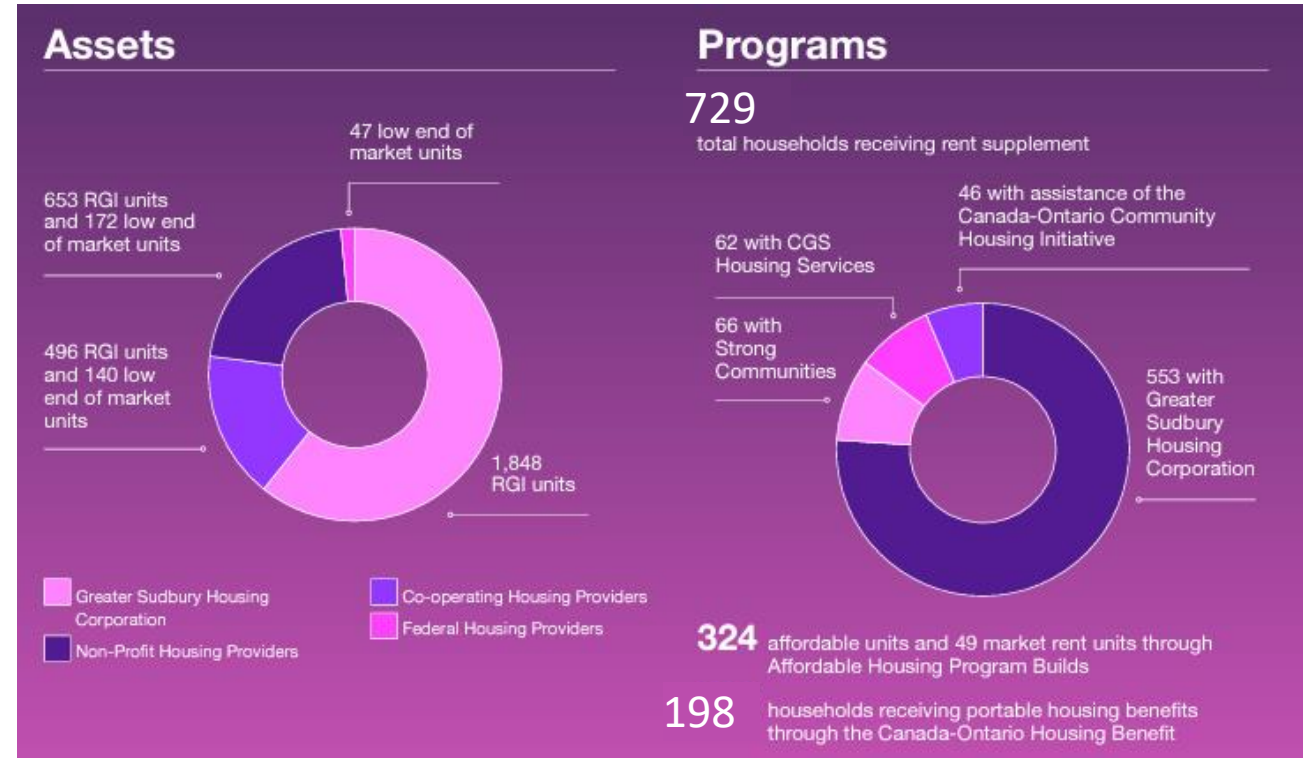


3.0 Community Housing Supply Characteristics, Needs, and Population/Housing Projections



Community Housing Supply in Greater Sudbury

- As of July 11, 2022, Greater Sudbury has a community housing stock of 3,356 units. This includes 359 Low End of Market (“LEM”) units as well as 2,997 Rent Geared to Income (RGI) units.
- The City of Greater Sudbury Housing Corporation consists of 1,848 RGI units, representing over half of the total affordable housing stock in the City and 62% of all RGI units.
- The remaining RGI housing stock, and all of the LEM units, are supplied through Non-Profit and Co-operative housing providers.
- Most of this housing stock is old and was created through legacy government programs throughout the 1970s and 80s. This housing stock requires ongoing operating and capital subsidies. The housing stock is also in a varied state of condition, with some units/buildings requiring significant investment and repairs (source: housing homelessness plan, community housing revitalization study).
- A smaller proportion of the housing stock was constructed since the early 2000’s through government programs such as the Ontario Government Investment in Affordable Housing (IAH) incentive program and the National Housing Strategy.
- In addition to the physical building stock, there are 729 rent supplements available in the City in addition to 198 portable housing benefits (COHB + SHARP).
- The table to the right illustrates the typical rental rates associated with each affordable housing type.
- The tables/graphs to follow illustrate the location of the community housing stock across Greater Sudbury.



Typical Rental Rates for Community/Affordable Housing					
% AMR	Typical Program	Bachelor	One-Bedroom	Two-Bedroom	Three-Bedroom
100% AMR	New Affordable Housing/Housing Benefits/Rent Supplements	\$749	\$1,030	\$1,134	\$1,286
80% AMR		\$599	\$824	\$907	\$1,028
60% AMR	LEM	\$449	\$618	\$776	\$841
RGI	Community Housing	~\$350			

Source: City of Greater Sudbury

City of Greater Sudbury Community Housing Portfolio (as of September 2022)* - Continued															
Program	Unit Type	Capreol	Donovan	Downtown	Flour Mill	Minnow Lake	New Sudbury	Nickel Centre	Onaping Falls	Rayside-Balfour	South End	Valley East	Walden	West End	Total
Municipal Rent Supplement	One-Bedroom				35										35
	Total				35										35
SCRS Provincial	One-Bedroom			7		10	23				16				56
	Two-Bedroom			1											1
	Total			8		10	23				16				57
SCRS (RS-Supportive)	One-Bedroom		1	1		3	2				2	1			10
	Two-Bedroom										2				2
	Total		1	1		3	2				4	1			11
CGS Rent Supplement	One-Bedroom					19									19
	Two-Bedroom			2		1	3	1		1					8
	Three-Bedroom				3	5	15			2	1	3			29
	Four-Bedroom						2								2
	Total			2	3	25	20	1		3	1	3			58
Affordable Units	Bed			15											15
	Bachelor					6									6
	One-Bedroom	5			47	67					5		31		155
	Two-Bedroom	15			33						35		1	64	148
	Three-Bedroom														0
	Four-Bedroom														0
	Total	20		15	80	73					40		32	64	324
Total CGS Portfolio		40	191	335	1,111	493	623	64	20	311	729	146	89	207	4,359
% Share		0.9%	4.4%	7.7%	25.5%	11.3%	14.3%	1.5%	0.5%	7.1%	16.7%	3.3%	2.0%	4.7%	100%

*Excludes 224 portable/non-fixed units.

Source: City of Greater Sudbury

Community Housing Wait List Characteristics

- As of September 2022, there were 845 households on the subsidized housing centralized waitlist in the City of Greater Sudbury.
- Of this total, approximately 22% are already housed by a community housing provider and are seeking a transfer. However, the vast majority of these households (655 households) are not currently housed by a community housing provider and are therefore either living in unaffordable conditions, are homeless, are living in a temporary arrangement, or some other problematic situation.
- Special Priority and Urgent applicants (e.g., victims of domestic violence, homeless, and other vulnerable groups) are given priority status on the wait list and offered housing ahead of non-priority applicants.
- Non-priority applicants represent 88% of the wait list. This includes senior households (over 65) and non-senior households (referred to as chronological). Seniors represent 20% of the wait list.
- One-bedroom units have been the most in demand affordable housing type by a large margin since 2011. Currently, over 70% of the wait list are looking for a one-bedroom unit. As assessed through the GSHC Revitalization Study, demand is more balanced across unit types in the low end of market options operated by non-profits (this wait list is no longer maintained).
 - The above is not a surprising finding. We find that across Ontario, demand for RGI housing tends to be driven overwhelmingly by seniors and singles in need of a one-bedroom unit. Demand for housing types becomes more balanced for LEM and affordable housing (e.g., AMR) as demand is broader and includes families and larger households.
- 70% of the wait list is also from households without dependants, which explains why demand is so heavily weighted towards smaller units (i.e., one-two bedroom units).
- Given the size of the wait list, it can take over 4 years for a household to be housed, depending on the housing they require. Wait times can be lower for those seeking larger family size housing, if they qualify.

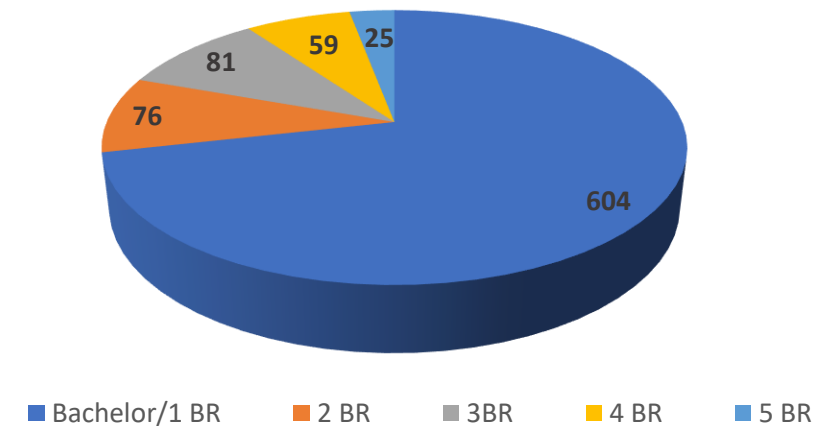
Waitlist Characteristics

September 2022

Wait List Makeup	
Special Priority	7
Urgent	49
Refugees	48
Seniors	167
Chronological	574
Total	845
Household Characteristics	
Without Dependants	460
With Dependants	218
Modified Units	22
Applicant Type	
Overhoused	12
Seeking Transfer	190
True Need	655

Source: City of Greater Sudbury

Wait List by Bedroom Type (September 2022)



Community Housing Income Limits

- Income Limits are established for RGI housing in the Housing Services Act, 2011 (see Table below).
- The income limits for all unit types fall within the 2nd to 5th income decile, with all limits being below the 6th income decile. Given that these are maximum income limits, the range appears to be appropriate for the City. The actual affordability of RGI, LEM, and AMR relative to the City's income deciles will be explored later in this report.
- Of note, there are no income limits for the City's CIP.

Household Income Limits for Community Housing (RGI), Greater Sudbury (Housing Services Act, 2011)

Location	Bachelor	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom +
Greater Sudbury Service Area	\$32,000	\$41,500	\$49,000	\$58,000	\$74,500
Max Income Decile Served	3rd	4th	5th	6th	8th

Recent Affordable Housing Activity

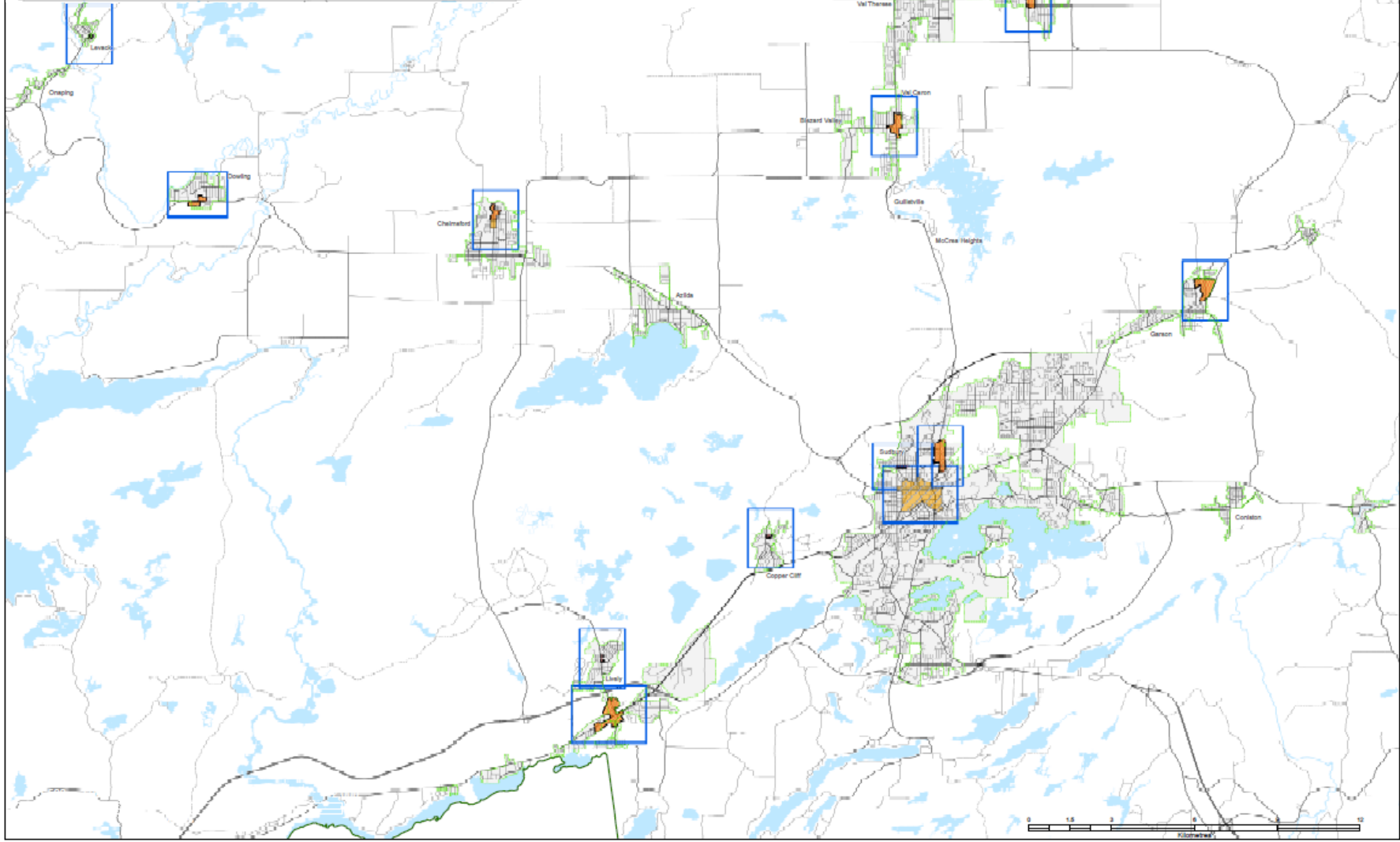
- Over the past five years, there have been three major affordable housing projects:
 - 15 congregate affordable housing units (transitional housing) through Home for Good Phase 1.
 - 12 affordable units (6 congregate and 6 one-bedroom units) for persons with brain injuries constructed by the March of Dimes funded through the Social Infrastructure Fund.
 - 40 affordable units (in addition to 25 market units) dedicated to seniors and funded through IAH.
- Following the recommendations of the Revitalization Strategy, the Greater Sudbury Housing Corporation is commencing with the sale of scattered housing units. Proceeds of the sale values will be used to invest in other housing and programs (see next page of this report).
- The City is also working on a number of strategies related to land banking, attainable housing, reduced parking standards, secondary dwelling units, zoning and Official Plan changes, small/tiny homes, and others.
- Other key items identified by the City's Housing and Homelessness Plan Update:
 - Continued operating and capital funding to the community housing portfolio, administered federal-provincial funding for new affordable housing, renewed operating agreements with non-profit housing providers, increasing the number of portable housing benefits, and improvements/efficiency in the development approvals process.

- The City launched the Affordable Housing Community Improvement Plan (CIP) in August of 2018.
- The CIP seeks to encourage affordable housing creation through the offering of incentives as well as a land banking program. Incentives offered include:
 - **Second Units:**
 - Rebate of planning and building fees
 - Second Unit Incentive Program (grant to cover 50% of project costs to a maximum of \$50k).
 - **New Development:**
 - Tax increment equivalent grant (scaling 5-year grant)
 - Rebate of planning and building fees
 - Feasibility grant (to offset feasibility studies up to \$5,000)
 - Residential Incentive Program (lesser of \$10 per square foot or \$20k per affordable unit, to a maximum of \$200k).
- Affordable rental is the target of the program, where rents must be at or below 100% of the CMHC Average Market Rent (AMR) for the City. The length of affordability is a minimum of 20 years. There are several location/project and design criteria required to be eligible for the program.
- There are no income limits associated with the CIP.
- The CIP is intended to be stacked with other sources of funding through Municipal, Provincial, and Federal sources. Where those programs have more onerous requirements (e.g., longer/deeper affordability) than required in this CIP, those requirements will prevail.

- To date, one project has been approved through the CIP.
 - Raising the Roof, a national non-profit organization, is proposing to acquire five of scattered units being sold by the Greater Sudbury Housing Corporation. The applicant will then use funding through the CIP to renovate the homes and create secondary dwellings in the basement (i.e., convert from a single-family home to a duplex with a rental unit on the main floor and basement). Construction has begun.
- There have been three other applications to the CIP, however none have advanced towards formal approval or consideration by Council.
- These results are not surprising, given that the City's CIP likely requires coordination and approval of other funding sources through senior levels of government to result in a viable affordable housing project, particularly for projects at a larger scale.
- The City also has a Municipal Capital Facility By-Law that can be used to provide financial support to affordable housing projects. This tool allows the City to be nimble as opportunities arise, where project might be able to receive funding outside of the CIP.
- The City also has a number of other incentive programs covered under the Strategic Core Areas CIP.

Development Incentives Related to Housing

- Affordable Housing CIP
- Downtown Sudbury CIP
- Town Centre CIP
- Development Charges Exemption
- Click on Box for Detailed Map



Projections and Growth Outlook (Reference Scenario)

- Looking forward, the City's population is projected to grow modestly by 6,860 people between 2016 and 2046, reaching a population of 172,990.
- To accommodate this growth, a total of 6,040 homes will be required, which is driven by both population growth as well as socioeconomic factors such as an aging population and shrinking household sizes.
- The vast majority of this growth (~50%) is projected to occur in the City of Sudbury, followed by Valley East and Nickle Centre.
- Of the 6,040 homes projected to be needed between 2016 and 2046, approximately 60% are forecasted to be single/semi-detached, 4% townhomes, and 36% apartments. Expectedly, most of the apartment demand is forecasted to be within Sudbury (57%), with modest demand forecasted in the outlying communities.
- Key factors influencing these results include:
 - The City of Greater Sudbury is the regional service centre for much of Northern Ontario, allowing it to be more diverse and accommodate modest growth that is expected to continue (relative to flat or negative growth experienced in other norther communities).
 - While mining and related employment can create long-term volatility, currently the industry is supporting growth.
 - Household sizes are decreasing due to an aging population, families delaying having children, couples having fewer children, and other similar factors. Declining household sizes will drive demand for housing above and beyond population growth.
 - An aging population will also drive demand for both condominium and rental apartments as they downsize and seek maintenance free housing. This will also drive demand for affordable housing for those on fixed incomes as well as seniors and long-term care homes.
 - While international and internal migration were mostly negative between 2011 and 2016, these trends reversed somewhat as of 2021, and are projected to remain positive looking forward, particularly for intraprovincial migration.
- There are also 4,003 international students attending the post-secondary institutions, with many living off-campus, fueling additional demand for housing across the City.

Tables Prepared by Hemson Consulting

Forecast Total Population Growth, 2016 - 2046							
City of Greater Sudbury by Former Local Municipality							
	2016-21	2021-26	2026-31	2031-36	2036-41	2041-46	2016-46
Sudbury	730	780	500	560	260	500	3,330
Capreol	70	0	0	0	0	10	80
Nickle Centre	140	200	120	130	60	100	750
Onaping Falls	30	0	0	0	0	20	50
Rayside Balfour	100	50	20	30	20	50	270
Walden	240	220	150	130	80	70	890
Valley East	290	300	210	210	100	150	1,260
Rural	70	50	0	30	0	80	230
City of Greater Sudbury	1,670	1,600	1,000	1,090	520	980	6,860

Forecast Total Occupied Households Growth, 2016 - 2046							
City of Greater Sudbury by Former Local Municipality							
	2016-21	2021-26	2026-31	2031-36	2036-41	2041-46	2016-46
Sudbury	1,010	720	550	470	260	180	3,190
Capreol	10	10	10	10	0	10	50
Nickle Centre	190	140	100	90	50	30	600
Onaping Falls	20	20	10	10	0	10	70
Rayside Balfour	100	60	60	40	20	20	300
Walden	170	120	90	80	50	30	540
Valley East	300	210	160	140	70	50	930
Rural	110	90	60	50	30	20	360
City of Greater Sudbury	1,910	1,370	1,040	890	480	350	6,040

Housing Growth by Unit Type and Community									
City of Greater Sudbury, 2016 - 2046									
	Sudbury	Capreol	Nickle Centre	Onaping Falls	Rayside Balfour	Walden	Valley East	Rural	City of Greater Sudbury
Single/Semi									
2016	20,230	1,060	4,380	1,450	3,460	2,030	6,630	7,270	46,510
2016-46	1,790	50	360	70	180	340	450	370	3,610
2046	22,020	1,110	4,740	1,520	3,640	2,370	7,080	7,640	50,120
Row									
2016	2,250	20	140	20	290	10	100	10	2,840
2016-46	140	0	20	0	10	30	40	0	240
2046	2,390	20	160	20	300	40	140	10	3,080
Apartments									
2016	16,240	170	690	140	1,160	200	830	380	19,810
2016-46	1,270	0	220	0	120	180	450	0	2,240
2046	17,510	170	910	140	1,280	380	1,280	380	22,050

4.0 Affordability Gap Analysis

- The following tables present the income deciles by tenure and affordability thresholds of each decile group demonstrated earlier in this report. It also illustrates the typical price/rent of housing options in Greater Sudbury.
- **Red** indicates the home is unaffordable and **Green** indicates the home is affordable to that decile group.
- As illustrated, most new and resale ownership homes are unaffordable to the majority of households across Greater Sudbury. Households in the three top income deciles (high-income households) can afford a greater range of housing, but even in this group, the 7th and 8th deciles still have some affordability constraints depending on location and housing type.
- Rental housing is almost entirely unaffordable to households below the 6th income decile. Between the 6th and 8th deciles, affordability is limited to smaller units or units in older buildings that typically rent slightly below the average rate. Based on starting rental rates for new purpose-built rentals, only the top decile can afford a two-bedroom unit, while new three-bedroom apartments are beyond the affordability thresholds of all households. Similarly, privately rented homes are largely unaffordable to people below the top income decile.
- Both ownership and rental affordability is therefore strained across Greater Sudbury.

Ownership Housing Affordability Gaps, Greater Sudbury

Ownership Housing Affordability Gap Analysis, Greater Sudbury											
Income Decile			1	2	3	4	5	6	7	8	9
Affordability Threshold			\$97,546	\$150,293	\$199,428	\$247,478	\$303,477	\$368,508	\$451,603	\$555,178	\$732,755
Location/Housing Type		Average Sale Price									
Resale Housing*											
Capreol		\$286,800									
Onaping Falls		\$303,200									
Nickel Centre		\$439,600									
Rayside-Balfour		\$465,500									
City of Sudbury		\$488,500									
Valley East		\$476,700									
Walden		\$451,500									
Greater Sudbury		\$452,500									
New Housing											
Single-Detached	Two-Bedroom	\$435,900									
	Three-Bedroom	\$476,811									
	Four-Bedroom	\$663,233									
	Five-Bedroom	\$1,199,950									
Semi-Detached	Two-Bedroom	\$334,275									
	Three-Bedroom	\$354,515									
*Resale pricing by housing/bedroom type was unavailable.											
Source: Greater Sudbury Real Estate Board, NBLC.											

Rental Housing Affordability Gaps, Greater Sudbury

Rental Housing Affordability Gap Analysis, Greater Sudbury

Income Decile		1	2	3	4	5	6	7	8	9
Affordability Threshold		\$536	\$718	\$939	\$1,149	\$1,392	\$1,668	\$1,974	\$2,430	\$3,092
Unit Type	Average Rental Rate*									
Purpose-Built Rental Apartments										
Bachelor	\$1,280									
One-Bedroom	\$1,473									
Two-Bedroom	\$1,724									
Three-Bedroom	\$2,029									
New Purpose-Built Apartments										
Two-Bedroom	\$2,000									
Three-Bedroom	\$3,200									
Purpose-Built Townhomes										
Two-Bedroom	\$2,099									
Three-Bedroom	\$2,042									
Four-Bedroom	\$1,895									
Privately Leased Homes										
Two-Bedroom	\$2,500									
Three-Bedroom	\$2,093									
Privately Leased Apartments**										
One-Bedroom	\$1,495									
Two-Bedroom	\$1,700									
Three-Bedroom	\$2,200									
Privately Leased Secondary Units (Basement Apartments)										
One-Bedroom	\$1,483									
Two-Bedroom	\$1,500									
Three-Bedroom	\$2,200									
Privately Leased Rooms										
Single Room	\$589									

*Due to limited availability, an average starting marker rent was used for rental townhomes and new purpose-built apartments.

**Single-floor apartments (plex buildings). There were no condominium units listed for lease at the time of the survey.

Source: CoStar Group, Realtor.ca, Kijiji, NBLC

Rental Housing Affordability Gaps, Greater Sudbury

Rental Housing Affordability Gap Analysis, Greater Sudbury										
Income Decile		1	2	3	4	5	6	7	8	9
Affordability Threshold		\$536	\$718	\$939	\$1,149	\$1,392	\$1,668	\$1,974	\$2,430	\$3,092
Location	Average Rental Rate*									
City of Sudbury										
Copper Cliff	\$1,486									
Donovan	\$1,549									
Flour Mill	\$1,125									
Downtown	\$1,261									
Minow Lake	\$1,523									
New Sudbury	\$1,946									
South End	\$1,645									
West End	\$1,424									
City of Sudbury	\$1,670									
Former Municipality/Community										
Onaping Falls/Walden	\$1,320									
Nickel Centre	\$1,292									
Rayside-Balfour	\$1,474									
Valley East/Capreol	\$1,482									
Former Municipality/Community	\$1,470									
Source: CoStar Group, NBLC										

Source: CoStar Group, NBLC

Affordable Housing Affordability Gaps, Greater Sudbury

Community/Affordable Housing Affordability Gap Analysis, Greater Sudbury												
Income Decile				1	2	3	4	5	6	7	8	9
Income				\$21,426	\$28,716	\$37,551	\$45,945	\$55,665	\$66,709	\$78,969	\$97,192	\$123,699
Affordability Threshold				\$536	\$718	\$939	\$1,149	\$1,392	\$1,668	\$1,974	\$2,430	\$3,092
%AMR	Program	Unit Type	Average Rental Rate*									
100% AMR	New Affordable Housing/Housing Benefits/Rent Supplements	Bachelor	\$749									
		One-Bedroom	\$1,030									
		Two-Bedroom	\$1,134									
		Three-Bedroom	\$1,286									
80% AMR		Bachelor	\$599									
		One-Bedroom	\$824									
		Two-Bedroom	\$907									
		Three-Bedroom	\$1,028									
60% AMR	LEM	Bachelor	\$449									
		One-Bedroom	\$618									
		Two-Bedroom	\$776									
		Three-Bedroom	\$841									
RGI	Community Housing		~\$350									
Source: City of Greater Sudbury												

Source: City of Greater Sudbury

Household Income Limits for Community Housing (RGI), Greater Sudbury					
Location	Bachelor	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom +
Greater Sudbury Service Area	\$19,200	\$24,900	\$29,400	\$34,800	\$44,700
Max Income Decile Served	1st	1st	2nd	2nd	3rd

5.0 Who are the Households Facing Affordability Challenges

According to CMHC, a household is considered to be in Core Housing Need if its housing doesn't meet one or more of the following standards:

- Affordability – Household is spending more than 30% of gross income on shelter costs.
- Adequacy – Home requires major repairs.
- Suitability – Household lives in a home not suitable for its household size and composition (i.e., crowded).

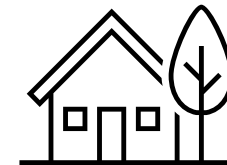
Housing is considered affordable when shelter costs do not exceed 30% of gross household income, adequate when it does not require any major repairs beyond regular maintenance, and suitable when it's sufficient for household size and composition.



- In 2016, almost 30% of all *renter* households in Greater Sudbury were in core housing need, meaning that their housing was either unaffordable, inadequate or unsuitable. In comparison, only 4% of all *owner* households experienced core housing need.
- Although the share of households in core housing need has been fluctuating over each census period, between 2006 and 2016 each community saw either an increase or no change in the percentage of households experiencing housing need. Overall, the share of households in core housing need increased from 2.7% to 4% among owners and from 24% to 27.7% among renters. Considering the pace of price appreciation and rental rate growth observed in Greater Sudbury over the last few years, it is likely that these proportions have only continued to increase.
- Lone-parent and one-person households had significantly higher rates of core housing need compared to other household types (corresponding to demand profile observed in the Community Housing Wait List).
- Overall, incidents of core housing need were more frequent among households with the primary household maintainer aged 55 and over and households with at least one senior (aged 65 and above).
- Households with at least one child under 18 years old, on the other hand, had a similar rate of housing need as households with no dependants under 18.
- Both immigrant and non-immigrant *renter* households had a similar rate of housing need, whereas the share of owner households in core housing need was significantly higher among non-permanent residents.
- Households with at least one person with activity limitations also had a higher rate of core housing need among both renters and owners.
- The share of renter households in core housing need was slightly smaller among aboriginal than non-aboriginal households. The opposite was true for aboriginal owner households.

Who Are the Households in Core Housing Need?

- Renter Households
 - One-Person Households
- Non-Permanent Resident Owner Households
 - Aboriginal Owner Households
- Households with at least One Senior (65 and over)
- Households with at least One Person with Activity Limitations
 - Lone-Parent Households
- Households with the Primary Maintainer Over 55



Core Housing Need: Household Characteristics

% of Households in Core Housing Need, Greater Sudbury

Year	Owners	Renters
2006	2.7%	24.0%
2011	3.2%	22.6%
2016	4.0%	27.7%

Source: CMHC, Census Canada

Households in Core Housing Need, Greater Sudbury (2016)

	Owners	Renters
# of Households in Core Housing Need	1,985	6,565
% of Households in Core Housing Need	4.0%	27.7%
Household Type		
Couples With Children	1.2%	17.1%
Couples Without Children	1.9%	13.1%
Lone Parent Households	9.6%	34.7%
Multifamily Households	0.0%	10.3%
One-Person Households	10.1%	34.5%
Other Non-Family	4.3%	22.0%
Age of Primary Household Maintainer		
15-24	4.3%	19.8%
25-34	2.1%	23.1%
35-44	2.8%	24.0%
45-54	2.7%	28.1%
55-64	5.3%	30.4%
65+	5.4%	34.1%

Source: CMHC, Census Canada

Households in Core Housing Need, Greater Sudbury (2016)

Household Characteristics	Total	
	Owners	Renters
# of Households in Core Housing Need	1,985	6,565
% of Households in Core Housing Need	4.0%	27.7%
Households With Seniors		
At Least One Senior (65 or Older)	4.9%	33.5%
Other Households	3.5%	25.8%
Households With Children Under 18		
At Least One Child Under 18	3.4%	27.4%
Other Households	4.3%	27.8%
Immigrant Households		
Non-Immigrant	3.8%	27.9%
Non-Permanent Resident	66.7%	11.5%
Immigrant	5.5%	27.4%
Recent Immigrant	0.0%	26.1%
Activity Limitations		
At Least One Person with Activity Limitations	4.7%	31.0%
Other Household Type	3.0%	21.2%
Aboriginal Households		
Aboriginal Households	3.9%	24.6%
Non-Aboriginal Households	4.0%	28.3%

Source: CMHC, Census Canada

Shelter-Cost-to-Income-Ratio: City of Greater Sudbury

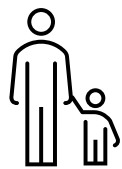
- In 2016, renter households in core housing need spent 47.8% of their gross income on shelter based on the average household income of \$21,800 before taxes and the average monthly shelter costs of \$817.
- Owner households in core housing need had slightly higher incomes than renters, but also higher monthly shelter costs. In 2016, these households had a Shelter-Cost-to-Income-Ratio of 48.6 based on the average gross household income of \$24,308 and the average monthly housing expenses of \$939.
- Most of these households fall in the bottom income decile, which has historically experienced very modest income growth. With rental rates and purchase prices increasing at unprecedented rates, it is unlikely that these ratios have gotten smaller over the most recent census period.

Core Housing Need Households, Greater Sudbury (2016)

Tenure	Average Gross HH Income	Average Monthly Shelter Costs	Average STIR* Before Taxes	Median Gross HH Income	Median Monthly Shelter Costs	Median STIR* Before Taxes
Owner	\$24,308	\$939	48.6	\$22,981	\$843	43.6
Renter	\$21,800	\$817	47.8	\$20,439	\$795	44.8

*Shelter-Cost-to-Income-Ratio

Source: CMHC, Census Canada



6.0 Key Findings – High Level Themes

- Incomes in Greater Sudbury have been increasing, but the increase is primarily attributed to growth among high-income households. Owner households also earn significantly more than renters, on average and broadly across all decile groups.
- Renter households are far more likely to be in core housing need (i.e., living in unaffordable, unsuitable, and/or inadequate housing), particularly for older and senior households, lone-parents, one-person households, immigrant households, and households with activity limitations. It is also very likely that the proportion of households in core housing need has increased since the 2016 census given shifts in the market over this period.
- In the ownership market, resale pricing has been increasing rapidly in recent years and is quickly becoming out of reach for many middle-income households. New housing development focuses on large single-detached homes that primarily target upper-middle and high-income households. While townhomes are beginning to become a more common development choice for builders, single-detached homes remain the predominant housing typology delivered historically and in recent years. Other affordable ownership options such as condominium apartments have been non-existent.
- Population growth and eroding affordability in the ownership market are driving rental demand across Greater Sudbury, resulting in low vacancy and strong increases in rental rates. The supply of new rental housing has been modest and is not keeping pace with demand, causing low vacancy, long wait-lists, and rising rents. As a result, the vast majority of rental and ownership housing is becoming unaffordable to low- and moderate-income households.
- The City also has a significant wait list for community housing of nearly 850 households. Demand for community housing (i.e., RGI), and particularly one-bedroom units, is expected to remain strong given deteriorating affordability levels and the current wait list composition. Many households may wait over four years prior to being housed in the City's community housing stock.
- There is also sizeable demand for Low End of Market and rental housing at a proportion of the CMHC AMR.
- Sudbury is expected to continue to grow looking forward to 2046, with the majority of growth expected in low-density forms and within the former City of Sudbury. It is vital that the City ensures housing supply is able to meet the current unmet demand as well as the needs of future residents.
- The results of this analysis indicate that the City should find ways to encourage more rental housing broadly across the housing continuum and affordability depths (e.g., RGI to market-rates). The City should also be encouraging a greater supply of ownership housing, as well as broader supply characteristics including lower-cost product types such as townhomes, compact semi-detached, and condominium apartments.

Key Findings – Ownership Market

- Greater Sudbury's ownership housing stock has experienced significant price growth in recent years. While overall pricing levels remain more affordable than many other communities in Ontario, many middle-income households may no longer be able to afford a home, particularly if they are a first-time purchaser. Historically, Greater Sudbury's resale market was affordable to a broader range of the population.
- It appears that the supply of housing is not meeting current or projected demand. The modest amount of new housing that is built targets a very narrow segment of the market (e.g., expensive single-family homes positioned towards the upper end of the market).
- As a result, demand is focused on existing homes, where these properties are experiencing strong price growth and selling very quickly.
- Despite cooling in the market as a result of rising interest rates, home prices remain well above pricing levels from last year. And despite home prices declining since interest rates began increasing in February, affordability has not improved as overall shelter costs for a household remain similar or higher (e.g., lower home price but similar mortgage payment due to higher interest rate).
- Local households will therefore likely continue to face affordability challenges in the ownership market. Limited new housing supply will continue to put upward pressure on prices as population grows while higher mortgage rates and stricter qualification requirements will pose barriers for many potential buyers, particularly those entering the market for the first time.
- These conditions will continue to drive increased demand for rental housing, as prospective purchasers who may no longer be able to afford a home turn to the rental market.
- While ownership housing needs appear to be less pressing than the rental market, affordability in the ownership market remains a challenge. As a result, the City of Greater Sudbury should be planning for and encouraging a greater supply of ownership housing as identified through the population and housing projections.
- The City should also encourage a broader supply of ownership housing, particularly more compact and lower-cost product types such as townhomes, semi-detached, and condominium apartments that would be more attainable to a wider range of households. As the City's population continues to age, demand for apartments and seniors housing will increase.
- Affordable ownership programs (i.e., 2nd mortgage programs, sale of Greater Sudbury Housing corporation scattered homes to qualified households, etc.) can also be investigated.

Key Findings – Rental Market

- Greater Sudbury's most significant housing gaps are observed in the rental market. Vacancy in the City is very tight, with rental rates rapidly increasing.
- Rents are increasing broadly across the entire City for all housing types (e.g., townhomes, apartments, older stock, new stock). The City's newest and most expensive rental stock experiences the tightest vacancy with most buildings reporting long wait lists, despite the rent premium these buildings hold. This indicates that there is strong demand for new rental housing at full market rates.
- Given these market conditions, higher income rental households are forced to occupy older and less expensive rental units due to a lack of supply of higher end units. This is resulting in tight vacancy, higher rents, and an overall reduced inventory in lower cost housing that has historically been available to Greater Sudbury's moderate and low-income rental households.
- The following indicates the current unmet rental need in Sudbury based on current market conditions:
 - Rental Universe: 13,107 units
 - Vacancy and Vacant Units: 1.6% and 210 units
 - Demand at 1.6% Vacancy: 12,897 units
 - Rental Universe Required to Reach 5% Vacancy: 13,576
 - **Additional Units to achieve 5% Vacancy: 470 units**
- In addition to this unmet demand, Sudbury is projected to grow by 6,040 households between 2016 and 2046. If the current share of rental to ownership households continues (currently 33%), an additional **2,000 rental units** will be required over the next 30 years (average of **66 rental units per year** – in line with recent trends over the past ten years).
- While demand for affordable rental is notable (see next page), the above figures largely represent market-rate rental housing. As more market-rate housing is added to the market, those with higher incomes are provided the choice to leave the older (and less expensive) accommodation they currently occupy in favour of new and modern rental apartments. This is referred to as the “filtering process”, where new and higher-priced properties entering the market allow those who can afford to do so to trade up. This frees up availability in the older properties for lower income households. Broader supply and choice in the rental market should also cause rental rates to stabilize.
- The low vacancy and long wait list for Greater Sudbury's new rental stock are major obstacles for this process currently.
- The City should investigate strategies to improve the supply of new rental housing by the private sector. Strategies can include incentive programs, advertising of government financing programs through the National Housing Strategy, providing as-of-right planning permissions for new rental supply, and other similar approaches.
- Of note, basement apartments and secondary suites are more affordable than the new purpose-built rental stock in the City (affordable to those in the 5th – 7th income decile). These units are easier to supply relative to large investments in purpose-built rental construction. While planning obstacles have largely been removed, which has resulted in the growing supply of these homes, the City could consider offering modest incentives/loans through the existing Affordable Housing CIP to further bolster the supply of this housing.

Key Findings – Affordable Housing

- Greater Sudbury's supply of affordable housing is falling well short of demand. Currently, there is a deficit of at least:
 - **655 RGI units**
 - **301 LEM (as of 2017, wait list no longer maintained)** units rented between 60% and 100% of the CMHC AMR (affordability thresholds indicate depth of demand is greatest at 60% - 80% of AMR).
- The above wait-list indicators are likely to continue to increase looking forward as the population grows and affordability continues to erode across the ownership and rental markets.
- Demand for RGI housing is likely to continue to be focused on one-bedroom units, whereas demand appears more broad for LEM and higher depth affordability (e.g., singles and families requiring one, two, three, and four-bedroom homes).
- In addition to creating new supply, there is a need to reinvest and improve the existing community housing stock across the Greater Sudbury Housing Corporation (GSHC) and Non-Profit / Co-Operative portfolio as identified in the Greater Sudbury Housing Revitalization Plan and Housing and Homelessness Plan. These documents also recommend pairing new affordable housing, particularly new RGI housing, with social and health services.
- Overall, there is a significant need to expand community and affordable housing options in the City. Strategies that the City might consider include increasing the incentive package offered through the CIP, offering public land to the private sector in exchange for affordable housing, intensifying/redeveloping surplus institutional lands and GSHC properties in need of revitalization, exploring partnerships with the private sector, undertaking new development through the GSHC as recommended in the Revitalization Study, and other similar options.
- The City should also consider how the varying affordability thresholds (RGI, LEM, AMR) relate to the affordability profiles/incomes identified on page 47 of this report and the overall depth of demand for each segment. Targets for each affordability depth should be identified and aligned with strategies to promote supply for each. This will allow the City to develop strategies for each segment of the affordable housing supply continuum with clear targets and programs assigned to each. The City may also assign income limits / ranges for each program to ensure affordability is being targeted broadly across income deciles and specific programs/strategies are targeting different segments of the affordable housing need. This will also ensure that only eligible households occupy the units created through these programs (e.g., 80% AMR can only be occupied by households earning below the 5th income decile).
- For example:
 - RGI: GSHC (re)development, funding provision to non-profits, expand rent supplements for RGI, etc.
 - LEM / 60% - 100% AMR: Funding provision to non-profits, use of public land, acquisition of surplus institutional properties, partnerships with private sector to secure funding from the National Housing Strategy, use of Federal funding, expand rent supplements, bolster funding to the CIP, etc.

Appendix B - Glossary of Terms

Term	Definition
Affordability Depth	The level of rent or payment charges to the household relative to the average market costs based on income decile.
Affordability Gap	The difference between the cost of constructing a housing unit based on fair market value and the cost a household can afford to pay based on their income.
Affordability Thresholds	A maximum level or rate of rent or purchase price based on household or renter income.
Average Market Rent (AMR)	Means the average monthly rent by unit type as determine in the annual survey of rents for the prior calendar year published by the Canada Mortgage and Housing Corporation.
Core Housing Need	Living in unaffordable, unsuitable, and/or inadequate housing.
High Density Housing	High density housing is only permitted in the community of Sudbury. All housing types, excluding single detached dwellings, are permitted in high density residential areas to a maximum net density of 150 units per hectare. Densities in the Downtown may exceed this maximum, as set out in the Zoning By-law.
High Income Households	Household with incomes above \$138,057 or renter income of \$78,969.
Housing Continuum	The housing continuum is a range of housing types available in a community, from emergency shelters to home ownership.
Housing Completions	The stage at which all the proposed construction work on a dwelling unit has been performed.
Income Decile	In a distribution of personal or household income, the deciles are 9 income figures that divide the population into 10 equal parts, each one representing 10% of the total.
Low Density Housing	Permits single detached dwellings, semi-detached dwellings, duplexes, and townhouses to a maximum net density of 36 units per hectare.
Low End of Market	LEM units are supplied through Non-Profit and Co-operative housing providers and typically rent at 60% of Average Market Rent (AMR).
Low Income Households	Households below the 3 rd income decile, with a total household income below \$60,966, or \$37,551 for renter income.
Medium Density Housing	In medium density development, all low density housing forms are permitted, including small apartment buildings no more than five storeys in height to a maximum net density of 90 units per hectare.
Moderate Income Households	Households between the 4 th and 6 th income decile (household income between \$75,655 and \$112,654 or \$66,709 and \$45,945 for renters).
Middle Income Households	Households with incomes above Low and Moderate, but below High Income Households.
Missing Middle	Refers to building typologies that contain a higher density than a single family house and a lower density than a mid-rise building.
Purpose Built Rental	Housing built specifically for long-term rental accommodation instead of selling individual condo units.
Rent-Geared to Income	RGI or subsidized housing, is made available by municipalities to make rent affordable for households as set out in the Housing Services Act, 2011.

Vulnerable Populations	Vulnerable populations are considered to be those who have multiple barriers to achieving or maintaining housing due to challenges such as poverty, health and mental health issues, trauma, newcomer settlement challenges amongst others.
Wait list	CGS maintains a wait list for rent-geared to income units according to rules set out by the Province of Ontario in the Housing Services Act, 2011.