



Assessment of Brampton's 10-Year Housing Target

Response to Bill 23

City of Brampton

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List of Acronyms and Abbreviations

Acronym	Full Description of Acronym
BUA	Built Up Area
CMHC	Canada Mortgage and Housing Corporation
DC	Development Charges
GTHA	Greater Toronto and Hamilton Area
MTSA	Major Transit Station Area
NHS	National Household Survey
NOS	National Occupancy Standard
OP	Official Plan
PPS	Provincial Policy Statement
PPU	Persons Per Unit
SPI	Smart Prosperity Institute
SGA	Strategic Growth Area
TRREB	Toronto Regional Real Estate Board
UGC	Urban Growth Centre



1. Introduction

1.1 Background

On October 25, 2022, the province introduced ‘More Homes, Built Faster: Ontario’s Housing Supply Action Plan 2022-2023’. Bill 23 is the latest in a series of provincial initiatives which aims to increase the supply of housing in Ontario. To support the provincial commitment to getting 1.5 million homes built over the next 10 years, it proposes sweeping and substantive changes to a range of legislation through Bill 23, as well as through updates to regulations and consultations on various provincial plans and policies.

This identified need for additional housing relates to demand associated with both existing Ontario residents as well as newcomers to the province through immigration. It is noted that over the past several years federal immigration targets in Canada have been increasing to address recent immigration shortfalls which occurred during the pandemic as well as to more broadly respond to the national decline in labour force participation rates associated with the Country’s aging population base.¹

Through Bill 23 the province has assigned 10-year municipal housing targets to 29 of Ontario’s largest and generally fastest growing single/lower tier municipalities, including the City of Brampton. The municipal housing targets collectively account for 1,229,000 housing units, representing about 82% of Ontario’s overall 1.5 million new homes target.² It is important to recognize that the municipal housing targets are based on current and future housing needs. In other words, a share of the overall housing need is attributed to a structural deficit in existing housing inventories, while a portion of the housing need is linked to anticipated population growth over the next decade. Impacted municipalities are being asked to prepare Municipal Housing Pledges to meet these housing targets. These pledges must include details on how the municipality will

¹ Labour force participation rate is defined as ratio of employed and unemployed people to the total working-age population (aged 15 years and older).

² The housing targets are broadly adapted from the housing needs assessment provided in the “Ontario’s Need for 1.5 Million More Homes” report, prepared by Smart Prosperity Institute (SPI), dated August 2022. In certain cases, the housing targets by Census Division vary between the referenced SPI report and Bill 23.



enable/support housing development through a range of planning, development approvals and infrastructure related initiatives.

1.2 Addressing the Impacts of Additional Housing in the City of Brampton as per Bill 23 – Summary of Key Findings

1.2.1 What is the City of Brampton’s 10-Year Housing Forecast According to the City’s new Official Plan?

Over the past two decades, the City of Brampton has represented one of the fastest growing municipalities in Canada, with an annual population growth rate of 3.6% between 2001 to 2021. To accommodate this population growth, the City has grown by approximately 4,250 households per year over the past 20 years in accordance with Statistics Canada Census data between 2001 and 2021. Looking forward over the next 10 years, the City of Brampton new Official Plan (OP), “the Brampton Plan”, identifies that the City of Brampton will, require an additional 54,600 households, or 5,460 households per year between 2021 and 2031 to accommodate anticipated housing demand¹. This represents a 22% increase relative to the annual amount of housing growth achieved during the past 20 years, and a 39% increase relative to the annual amount of housing growth achieved during the past 10 years.

Of the City’s identified total 10-year forecast housing need, approximately 46% (25,300 households or 2,530 households per year) are identified by Watson & Associates Economists Ltd. (Watson & Associates) as rental units. This represents a significant increase in the amount of required new rental housing construction relative to amount of rental housing stock added to the City over the past 20 years, which averaged approximately 880 new rental dwellings per year.

1.2.2 How does the Bill 23 10-Year Housing Target for Brampton Compare to the City’s new Official Plan Forecast?

With a 10-year target of 113,000 new households for the City of Brampton, Bill 23 presents an aggressive and unprecedented rate of required housing growth for City of Brampton. Comparably, this target requires an increase of approximately 58,000

¹ This figure includes unoccupied dwellings.



households over and above the City's housing forecast as per the City's new Draft OP.¹ As previously noted, it is suggested through a recent report prepared by the Smart Prosperity Institute that most of this housing increase (i.e. additional housing identified beyond the City's new OP housing forecast) is attributed to a structural deficit regarding the City's existing housing supply and would not be associated with additional population beyond what has already identified through the City's new OP and supporting documents. The City of Brampton and its economic consultants, Watson & Associates, have strong concerns associated with the magnitude housing growth identified for the City of Brampton as well as the assumptions regarding housing need attributed to existing and new Brampton residents as per Bill 23.

1.2.3 What Percentage of Housing Needs with the City of Brampton can Realistically be Associated with the City's Current Lack of Suitable Housing?

Rapidly rising housing costs in recent years have placed increasing pressures on households, particularly in low to moderate income ranges within the City of Brampton.² Similar pressures also exist more broadly across the Provincial as a whole. For low-income households, rising housing costs across Brampton and Peel Region are placing increasing pressure on the need for subsidized rental housing. As of December 2021, the number of households on Peel Region's centralized waiting list reached over 28,000, which presents a 16% increase from 2020.³ Of the total number of households on Peel Region's Centralized waiting list, approximately 28% (7,700 households) were represented by Brampton residents.

Rising housing prices in Brampton are resulting in a greater share of Brampton households experiencing challenges finding suitable housing.⁴ In accordance with Statistics Canada, approximately 1 in 5 of Brampton residents are considered to be

¹ Brampton Plan. Your Vision Our Future. Draft April 2022.

² For the purposes of this report, **low-income** households are defined as those that earn an annual household income of less than \$80,000 per year, **middle-income** households are defined as those that earn an annual household income between \$80,000 and under \$150,000, while **high-income** households are defined as those that earn an annual household income of \$150,000 or more per year.

³ Housing Service Annual Report 2021. Region of Peel, 2021.

⁴ 'Housing suitability' refers to whether a private household is living in suitable accommodations according to the National Occupancy Standard (NOS); that is, whether the dwelling has enough bedrooms for the size and composition of the household.



living in unsuitable housing, which represents approximately 132,000 persons. Comparatively, the percentage of persons living in unsuitable housing conditions at the national level was approximately 1 in 10 as of 2021, based on Statistics Canada data.¹ It is noted that this statistic regarding unsuitable housing is highest in Brampton for “Other Census Family Households”, which includes multi-family, multi-generational households, and one-family households with additional persons. In 2021, approximately 14% of Brampton households were categorized as multi-generational households, compared to 4% for the Province as a whole.

As a long-term goal, it is recommended as a starting point that the City of Brampton strive to reduce the percentage of household living in unsuitable housing conditions to levels more consistent with national trends. Achieving this target will require actions and programs to increase the supply of affordable housing options which are suitable to low to moderate-income households across the City of Brampton. More specifically, to achieve this goal the City of Brampton would require approximately 19,000 additional affordable rental households just to accommodate the needs of existing residents, not including demands associated with population growth over the next 10 years.

It is noted that a target of 19,000 additional affordable rental housing units to accommodate the needs of existing residents is an ambitious target, however, it far below the 10-year housing target established through Bill 23 to address the City’s existing structural housing deficit. It is also important to recognize that due to the considerable differences in the structure of households in Brampton by family type relative to provincial and national trends (i.e. greater share of multi-family and multi-generational households), this target for the City of Brampton related to housing suitability may be subject to further refinement.

Based on our initial assessment, approximately 83% (94,000) of the total households prescribed through the Municipal Housing Pledge, as set out through Bill 23, would drive additional population growth in the City of Brampton. The remaining 17% of future housing needs over the next decade would be attributed to addressing the City’s estimated structural deficit in existing suitable housing options.

¹ Housing suitability by tenure: Canada, provinces and territories, census divisions and census subdivisions. Statistics Canada Table 98-10-0237-01, 2022.

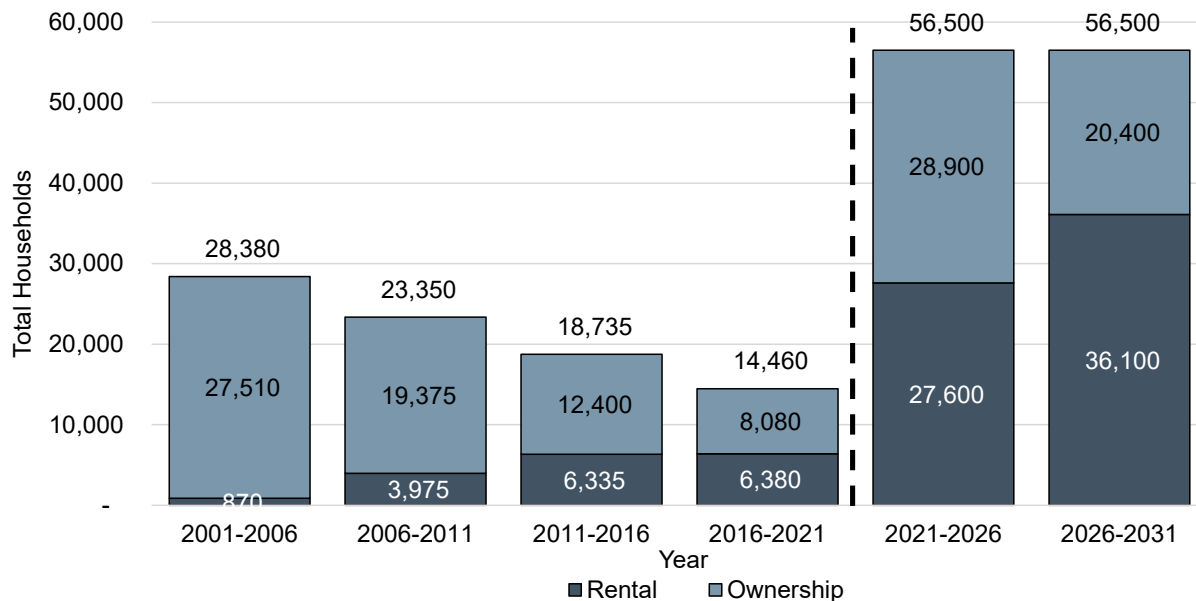


1.2.4 Is the 10-Year Housing Target Assigned to the City of Brampton Under Bill 23 Reasonable?

No, based on an assessment for future housing needs in the City of Brampton to accommodate existing and future residents over the next 10 years, the housing target assigned to the City of Brampton under Bill 23 is not considered to be reasonable. Over the past two decades between 2001 and 2021, the City of Brampton's total housing stock has increased by approximately 84,900 occupied dwellings, or approximately 4,250 households per year. Of this total number of new occupied dwellings added to the City's housing base approximately 67,400 were ownership households (79%), while the remaining 17,600 were rental households (21%). The 10-year housing target for the City of Brampton of 113,000 new households represents an annual average of 11,300 new households per year. This would represent an annual increase in total housing growth nearly three times the City's historical average over past 20 years. Based on current housing affordability trends, if the City were to target an increase of 113,000 households over the next 10 years, approximately 63,800 (56%) of these households would need to be in the form of rental housing. This would represent an increase in annual rental housing growth at a pace which is over seven times the level produced over the past two decades. When considering historical trends as well available ownership and rental housing actively under review within the City's residential development pipeline, it is not reasonable to assume that City of Brampton will be able to achieve this level of new annual housing construction.



Figure 1-1
City of Brampton
Bill 23 Housing Target, 2021 to 2031 vs. 2001 to 2021 Census Housing Growth
(Forecast by Housing Tenure Derived by Watson & Associates Economists Ltd.)



Source: Historical data from Statistics Canada Census. Housing forecast derived from Bill 23. Housing forecast by tenure prepared by Watson & Associates Economists Ltd, 2022.

1.2.5 *Would an Increase in the Amount of Housing Stock in the City of Brampton and Broadly Across Ontario Result in Lower Housing Costs?*

No, increasing the supply of new housing across the City of Brampton and more broadly across Ontario is unlikely to result in significantly lower housing costs for Brampton residents. This is because housing affordability is determined by a range of community, regional, provincial and national level factors that influence supply and demand for housing, cost of residential development, ownership carrying costs, and rental market rates. Many of these factors are related to macro-economics and federal policy in which the City of Brampton and the province have limited influence over. This includes such factors as trends in the economic outlook for the Canada and its provinces, immigration levels to Canada by province, construction, building and fuel costs, federal trade policy, the relative strength of the Canadian dollar, monetary policy, Bank of Canada prime interest rates, and the regulatory environment related to residential mortgages. It is noted that in cases where inventories of available housing for sale or rent on the market are constrained, housing supply will have an influence on housing prices and rents.



Over the medium to longer-term, Ontario planning authorities are required to ensure that sufficient housing supply is available and urban lands are designated for residential development to address market requirements.

Accordingly, when addressing housing and urban land supply for the City of Brampton it is important to examine both the near-term supply of housing options available on the market (i.e. inventory of dwellings for sale or rent) as well the medium to longer-term supply of dwellings in active development approvals, residential intensification potential through infill and development as well as developable vacant greenfield residential lands within the City's corporate municipal boundary. With respect to the supply of ownership housing in the City of Brampton currently on the market for sale, the supply of housing has sharply increased since January 2022, as the local ownership housing market has notably cooled following an increase to the Bank of Canada overnight lending rate from 0.25% in January 2022 to 3.75% in October 2022.

With respect to the rental housing market, the City's 2021 rental housing vacancy rate was approximately 3.0%. Comparatively, the 2021 rental housing vacancy rate for Ontario as a whole was 3.4%.¹ Typically, a rental vacancy rate of approximately 3% is considered healthy.

With respect to Brampton's medium to longer-term supply of active housing development vacant urban land and opportunities for residential intensification, the City broadly meets the requirements of the PPS to supply a three-year supply of housing in active developments in registered but unbuilt and draft approved plans as well as through residential intensification to fulfill its OP housing forecast. The City also broadly meets the requirements of the PPS to supply a 15-year supply of housing on vacant designated urban lands as well as through residential intensification to fulfil its OP forecast.² It is noted however, that while the City broadly meets these PPS housing requirements, the City will require an increase in the supply of purpose-built rental housing opportunities to meet anticipated rental housing demands over the 10 years and beyond, in accordance with housing needs identified through the City's OP and the City's forecast rental housing needs determined by Watson & Associates. When considering the housing target for Brampton associated with Bill 23, the City has a significant shortfall of purpose-built rental housing options. Ultimately, this shortfall,

¹ Canadian Mortgage and Housing Corporation (CMHC), 2021.

² In accordance with sections 1.4.1a and 1.4.1b of the PPS.



would likely place upward potential on rents over the long-term if not adequately addressed.



2. City of Brampton Housing Demand by Tenure, 2021 to 2031

This Chapter provides an analysis of forecast housing demand for the City of Brampton over the next 10 years by housing tenure (i.e. rental vs. ownership). Additional details are provided in Appendix A.

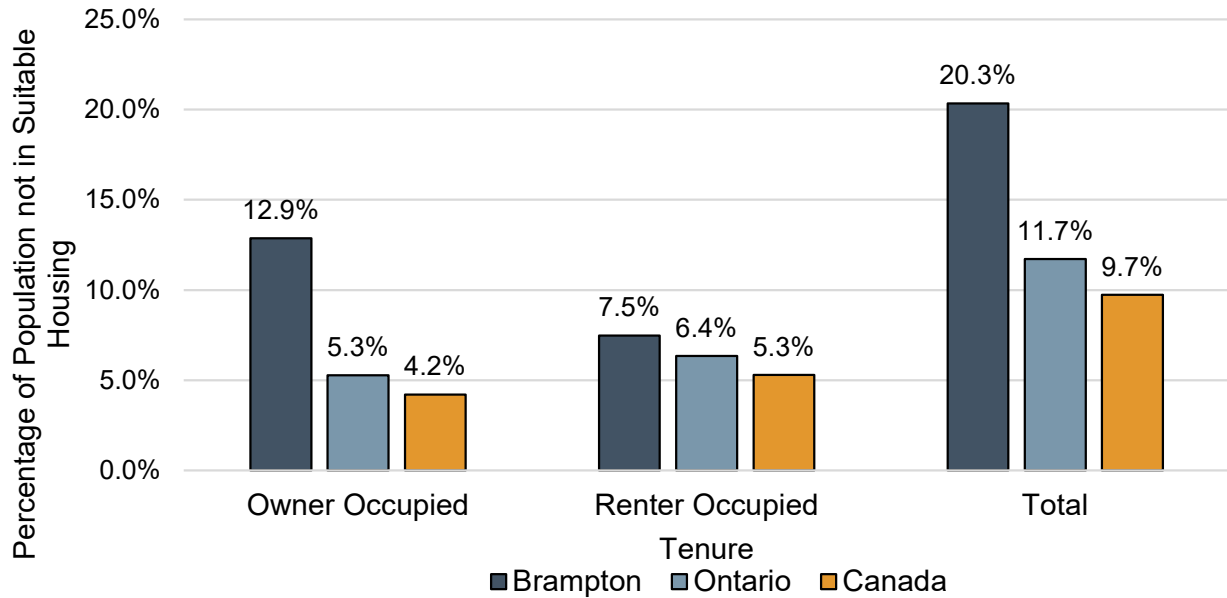
2.1 Housing Suitability in Brampton

Figure 2-1 summarizes the population in suitable housing in the City of Brampton compared to Ontario and Canada. Brampton has a significantly larger proportion of the total population not in suitable housing at 20.3% of the population compared to 9.7% of Canada's population. Figure 2-2 further examines suitable housing in the context of household types. As indicated, "Other Census Family Households" has a much larger proportion of households not in suitable housing. As previously noted, "Other Census Family Households" include multigenerational families as well as multiple family households.

It is also noted that the City of Brampton has recently experienced increased demand for secondary rental suites, indicating a need for affordable housing supply. As of 2019, CMHC has estimated the City of Brampton has the greatest number of secondary units outside of the City of Toronto at approximately 13,600 units. CMHC estimates that 9.6% of ground-oriented properties in the City of Brampton contained a secondary unit. An estimated 2,500 new secondary units were added to existing households in 2022.

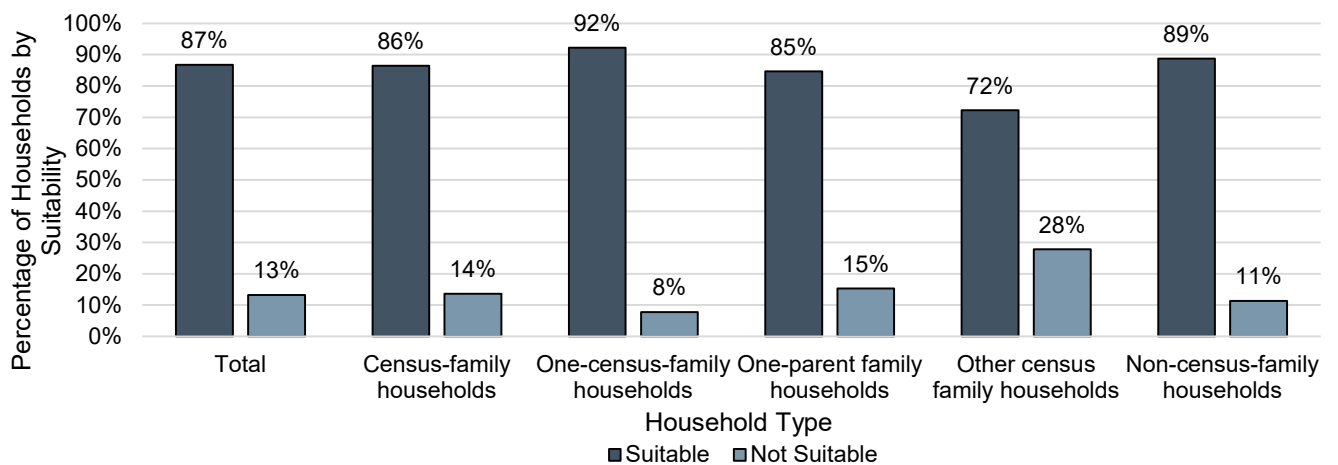


Figure 2-1
City of Brampton, Province of Ontario, and Canada
Percentage of Population not in Suitable Housing by Tenure, 2021



Source: Housing Highlight Tables 2021, summarized by Watson & Associates Economists Ltd.

Figure 2-2
City of Brampton
Percentage of Population not in Suitable Housing by Household Type, 2021



Source: Statistics Canada Census table 98-10-0238-01, summarized by Watson & Associates Economists Ltd.



Total existing household demand was calculated using the Statistics Canada Census total population not in suitable housing data¹. The population totals for both the City of Brampton and Canada not in suitable housing were identified. The total proportion of population in unsuitable housing for Canada was applied to Brampton's population to determine what would be required within Brampton to align with national averages regarding housing suitability. The difference in Brampton's population not in suitable housing was then divided by the 2021 Census PPU of 3.598, resulting in recommended increase in the City's housing supply of 19,155 to partially address existing residents currently living in unsuitable housing. As previously indicated, it is important to recognize that due to the considerable differences in the structure of households in Brampton by family type relative to provincial and national trends (i.e. greater share of multi-family and multi-generational households), this target for the City of Brampton related to housing suitability may be subject to further refinement.

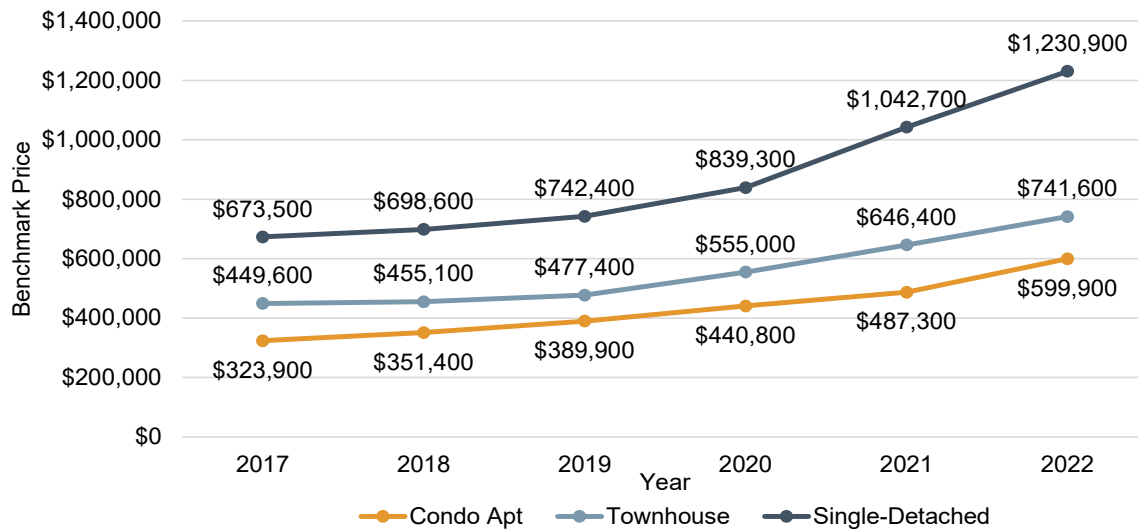
2.2 Housing Affordability Analysis

Figure 2-3 summarizes September benchmark prices in the City of Brampton for single detached, townhome, and apartment dwelling units between 2017 and 2022. While all housing types have increased during this time period, single detached dwellings had the greatest increase since 2020, increasing 47% during this period. The cost of a dwelling in Brampton has a direct impact on the type and tenure of housing required in the City to accommodate the City's wide range of income groups.

¹ Total population also derived from Housing suitability by tenure: Canada, provinces and territories, census divisions and census subdivisions. Statistics Canada Table 98-10-0237-01, 2022.



Figure 2-3
City of Brampton
MLS Benchmark Price by Dwelling Type, 2017 to 2022



Note: Figures are representative of the September monthly benchmark prices of each year.

Source: TRREB MLS Home Price Index 2017 to 2022, summarized by Watson & Associates Economists Ltd.

As

previously established, under the Bill 23 housing forecast for Brampton, the City is anticipated to increase by 113,000 new dwellings. This Bill 23 housing forecast does not contemplate how these units will be delivered in terms of housing structure type, affordability, tenure or location. While there may be concerns regarding the current housing suitability across Ontario and Brampton, simply suggesting that building more homes is the solution is an oversimplification. Adding an additional 113,000 homes requires consideration of the income groups that can absorb the new dwellings. As of 2021, 43% of households within Brampton have a household income of less than \$100,000.

As shown in Figure 2-4, households with an income of less than \$100,000 can afford a maximum rent of \$2,500 per month or a maximum purchase price of \$500,000.¹ According to September 2022 real estate sale data from the Toronto Regional Real Estate Board (TRREB), the benchmark cost of a condominium in Brampton is \$600,000 and a townhouse is \$742,000. With a significant amount of households unable to afford a new ownership dwelling, a shift in dwelling tenure and type is required to provide more

¹ Affordability calculated by assuming a maximum of 30% of household income is spent on shelter costs (property taxes, mortgage payment, monthly maintenance/fees, property insurance, and a down payment of 10%).



affordable rental stock within Brampton. The City's current development application pipeline supports this shift, as 78% of all units in development approvals are categorized as apartments. Accordingly, under the Bill 23 forecast, it is assumed that 54% of new housing units will serve households with an income of \$100,000 or less. Further observations can also be made:

- To accommodate the lowest income segments of the City's population, it is assumed that under the Bill 23 housing forecast 16% of new units accommodate households with a household income under \$40,000, paying a maximum rent of \$1,000 monthly – rental assistance will likely be required for these households.
- Household incomes between \$100,000 and \$150,000 are defined as having limited home ownership options. These households can afford a dwelling priced between \$500,000 and \$755,000. Based on TRREB benchmark price data for September 2022, some of these households would be able to afford a townhouse, with many able to afford an apartment condominium.
- Households with income above \$150,000 annually can generally afford all dwelling types within the City of Brampton. It is assumed that 23% of new households in the City will accommodate this income group.

Similarly, Figure 2-5 displays the housing affordability assumptions for the City of Brampton OP housing forecast between 2021 and 2031. Under this forecast, it is assumed that 54,600 new households will be accommodated within Brampton over the next decade. The City's OP housing forecast does not identify additional demand for dwellings to accommodate a structural deficit with the existing housing base. The Brampton OP and the Peel Region MCR housing forecast recognizes that the City is characterized by unique socio-economic and cultural attributes in comparison to other suburban communities across Canada (i.e. higher percentage of visible minorities, higher propensity of multi-family and multi-generational households). These unique socio-economic and cultural attributes generate housing occupancy patterns which are notably higher, and likely to remain higher, than other communities across Ontario and Canada. It is noted that that the Region of Peel has a developed a affordable rental incentives program to assist private and non-profit organizations with delivering affordable rental housing through the provision of Regional incentives.¹

¹ Peel Affordable Rental Incentives Program. Guidelines and Application Requirements. Region of Peel. 2022 Call for Applications.



Figure 2-4
Bill 23 Housing Target, 2021 to 2031
 (Affordability Derived by Watson & Associates Economists Ltd)

Household Income	Maximum Affordable Housing Cost		Forecast Growth, 2021 to 2031		Rental Type	Ownership Type
	Rent (Month)	Home Ownership (Dwelling Cost)	% of Total New Households	Housing Growth, 2021 to 2031		
Under \$20,000	Less than \$500	Less than \$100,000	4%	4,410	Rental Assistance	
\$20,000 to \$39,999	\$500 to \$1,000	\$100,000 to \$200,000	12%	13,450		
\$40,000 to \$59,999	\$1,000 to \$1,500	\$200,000 to \$300,000	13%	14,810		
\$60,000 to \$79,999	\$1,500 to \$2,000	\$300,000 to \$400,000	13%	14,680	Potential Need for Rental Assistance	
\$80,000 to \$99,999	\$2,000 to \$2,500	\$400,000 to \$500,000	12%	13,600		
\$100,000 to \$124,999	\$2,500 to \$3,125	\$500,000 to \$630,000	13%	14,400	Free Market	Home Ownership - Limited Options
\$125,000 to \$149,999	\$3,125 to \$3,750	\$630,000 to \$755,000	10%	11,180		
\$150,000 to \$199,999	\$3,750 to \$5,000	\$755,000 to \$1,000,000	12%	14,000		
\$200,000 and over	\$5,000 and higher	\$1,000,000 and higher	11%	12,470		
Total			100%	113,000		

Figure 2-5
City of Brampton OP Housing Forecast, 2021 to 2031

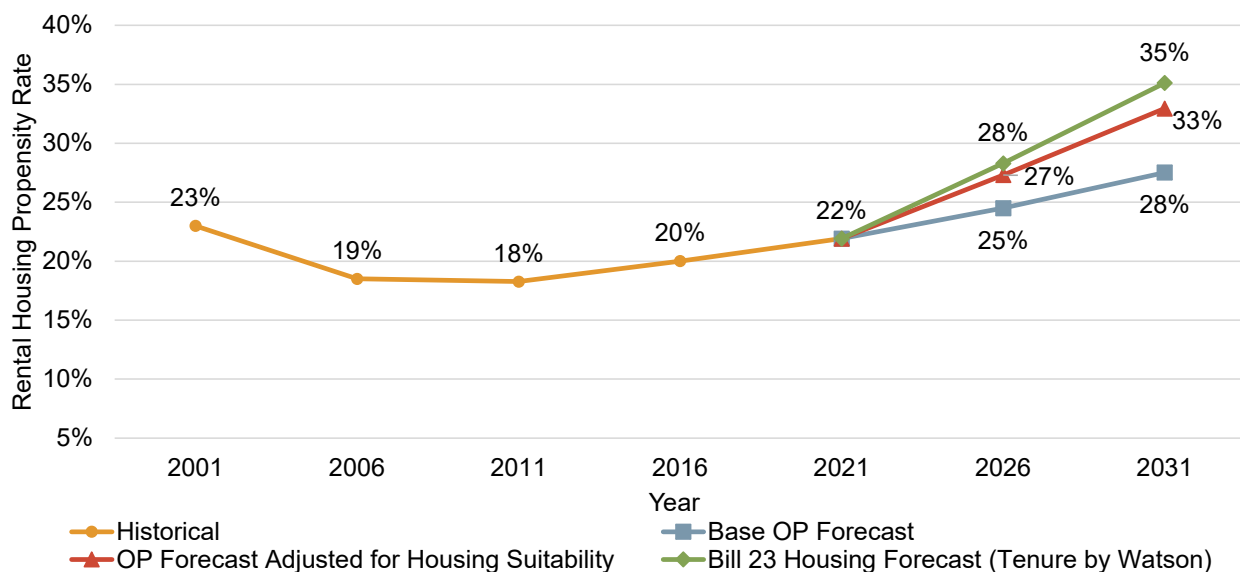
Household Income	Maximum Affordable Housing Cost		Forecast Growth, 2021 to 2031		Rental Type	Ownership Type
	Rent (Month)	Home Ownership (Dwelling Cost)	% of Total New Households	Housing Growth, 2021 to 2031		
Under \$20,000	Less than \$500	Less than \$65,000	2%	1,270	Rental Assistance	
\$20,000 to \$39,999	\$500 to \$1,000	\$65,000 to \$130,000	7%	3,680		
\$40,000 to \$59,999	\$1,000 to \$1,500	\$130,000 to \$195,000	10%	5,350		
\$60,000 to \$79,999	\$1,500 to \$2,000	\$195,000 to \$260,000	12%	6,510	Potential Need for Rental Assistance	
\$80,000 to \$99,999	\$2,000 to \$2,500	\$260,000 to \$325,000	12%	6,820		
\$100,000 to \$124,999	\$2,500 to \$3,125	\$325,000 to \$405,000	15%	8,030	Free Market	Home Ownership - Limited Options
\$125,000 to \$149,999	\$3,125 to \$3,750	\$405,000 to \$485,000	12%	6,770		
\$150,000 to \$199,999	\$3,750 to \$5,000	\$485,000 to \$650,000	16%	8,890		
\$200,000 and over	\$5,000 and higher	\$650,000 and Higher	13%	7,280		
Total			100%	54,600		



2.3 Housing Demand by Tenure

As illustrated in Figure 2-6, Brampton's rental housing propensity rates declined between 2001 and 2011 but have since rebounded in the most recent decade. Under all housing growth scenarios, the share of forecast rental housing is forecast to increase between 2021 and 2031 based on a broad review of the housing affordability by age of population. As shown, the housing forecast established through the Brampton OP is anticipated to require a rental propensity rate of 28% by 2031. To address suitability concerns in the 2021 Brampton housing base, an additional 19,100 rental units would require the rental propensity rate to increase 33% by 2031. Finally, the Bill 23 scenario would require a substantial increase in both ownership and rental housing over the next decade. To address affordability concerns, the rental propensity rate would need to further increase to 35% over the next decade.

Figure 2-6
City of Brampton
Rental Housing Propensity Rate Forecast Scenarios, 2021 to 2031

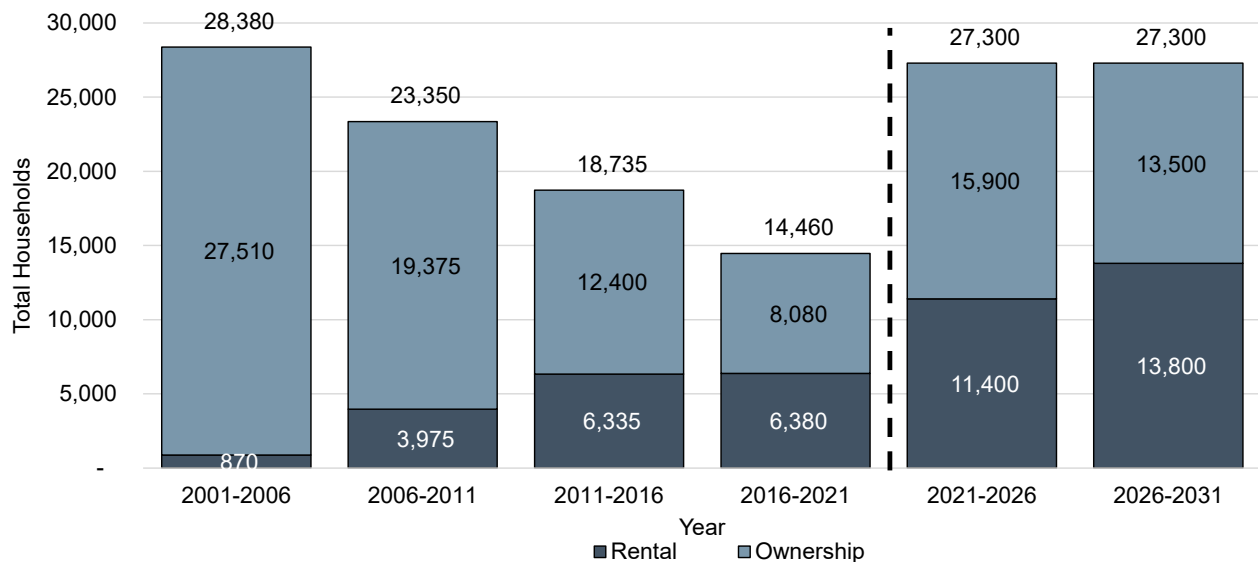


As previously mentioned, the OP forecast for the City of Brampton identifies a demand of approximately 54,600 households between 2021 and 2031. Accordingly, an additional 182,000 persons are forecast within Brampton between the 2021 to 2031 period. Accommodating this level of growth requires a range of housing by structure



type and tenure. Based on a rental housing propensity analysis (as previously shown in 6), the percentage of renter households in Brampton are forecast to increase from 22% in 2021 to 28% in 2031, which is slightly faster than the rental housing propensity increases observed between 2011 and 2021. Based on this rental housing propensity forecast, demand for rental housing in Brampton is expected to increase from 40,000 units in 2021 to 65,200 in 2031, as shown in Figure 2-7. This represents growth of approximately 25,300 units over the period, accounting for approximately 46% of total housing growth over the forecast period.

Figure 2-7
City of Brampton OP Housing Forecast by Tenure, 2021 to 2031

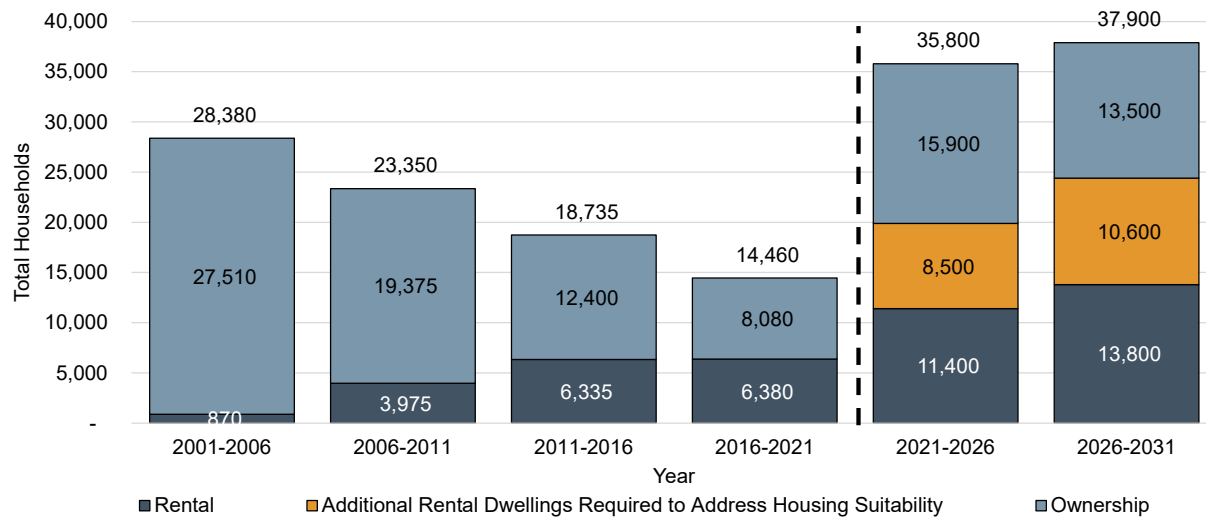


Source: Historical data from Statistics Canada Census. Total housing forecast derived from Bill 23. Housing forecast by tenure prepared by Watson & Associates Economists Ltd., 2022

Based on the housing suitability analysis presented in Section 4.1, the City would require an additional 19,100 households to relocate persons within existing households into other forms of suitable housing (e.g. secondary units and other affordable rental units). It has been assumed that the entirety of the 19,100 households would require affordable rental housing. Given the lack of affordability within the ownership housing market, an increase of affordable rental housing within Brampton would partially address suitability imbalances. An increase of 19,100 rental units would bring the 2031 rental housing propensity to 33%. It is important to note that these increased rental units will not result in greater population growth within the City. Figure 2-8 displays the incremental rental housing growth required to partially address housing suitability concerns within Brampton.



Figure 2-8
City of Brampton Housing Forecast to Partially Address Suitability by Tenure, 2021 to 2031



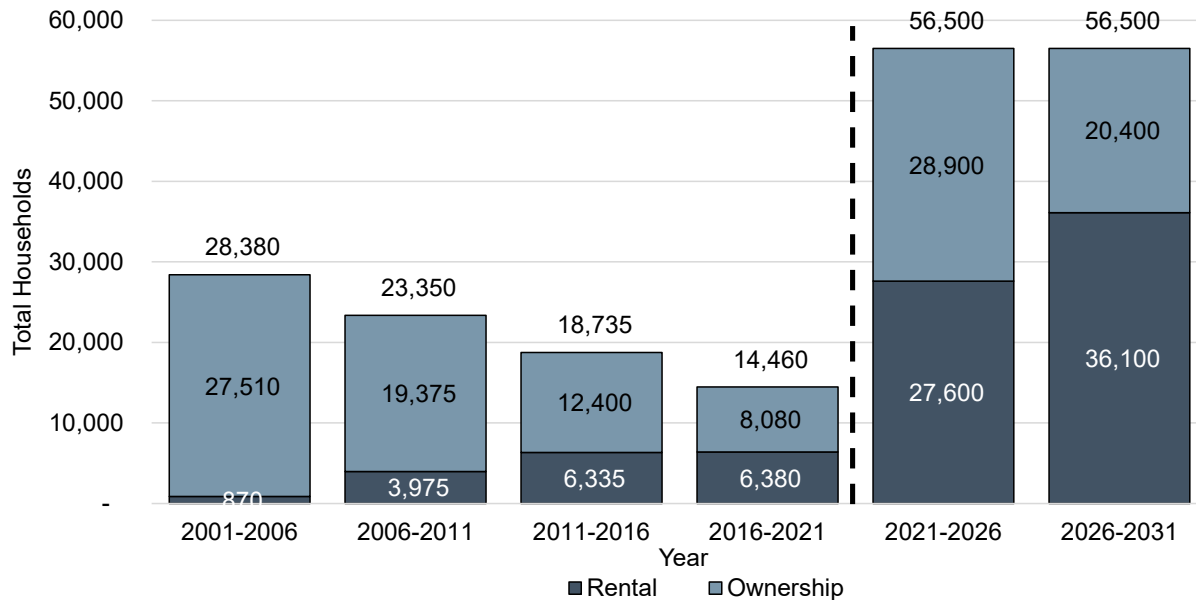
Source: Historical data from Statistics Canada Census. Forecast by Watson & Associates Economists Ltd, 2022.

As previously discussed, the Bill 23 housing target indicates that the City of Brampton will accommodate 113,000 new households between 2021 and 2031. The Bill 23 forecast suggests that this household growth will not result in significant additional population growth, beyond that already identified through the Brampton Plan. This would imply that 113,000 new households would accommodate a population of approximately 182,000 within Brampton between 2021 and 2031. Given current occupancy trends identified for the City of Brampton, Watson & Associates does not support this assumption.

Based on the affordability calculation in Figure 2-4, theoretically achieving this level of new households will require a significant number of new rental dwellings. As summarized in Figure 2-9, between 2021 and 2031, it is estimated that 56% of new dwellings would be in the renter category, resulting in 63,800 new rental households. To achieve this incremental growth, the rental housing propensity by 2031 is estimated at 35%.



Figure 2-9
City of Brampton
Bill 23 Municipal Housing Targets, Housing Forecast by Tenure, 2021 to 2031



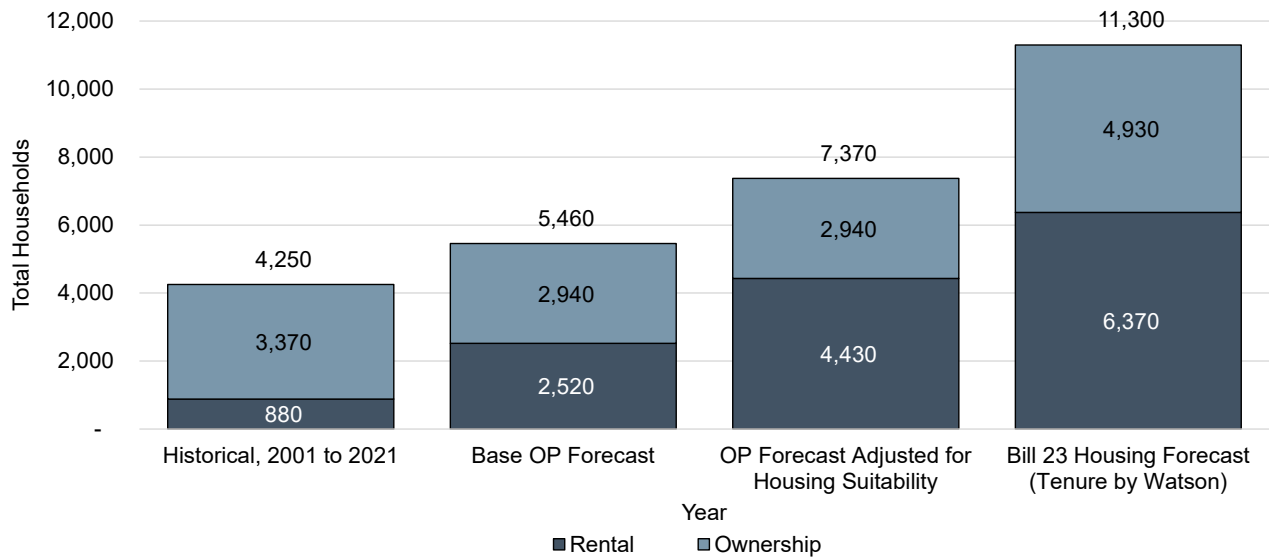
Source: Historical data from Statistics Canada Census. Housing forecast derived from Bill 23. Housing forecast by tenure prepared by Watson & Associates Economists Ltd, 2022.

2.4 City of Brampton Housing Growth Scenarios by Tenure, 2021 to 2031

As previously noted, there were approximately 28,000 households on waiting lists in the Region of Peel for primary rental dwellings, of December 2021. The City of Brampton represents 7,700 households of this total. With affordability concerns increasing across the province, the pressure for primary rental dwellings will continue to increase. As shown in Figure 2-6, all three growth scenarios represent a significant increase in annual rental dwelling growth compared to the historical trend of 880 units annually between 2001 and 2021. Forecast rental housing growth is expected to grow at a stronger rate relative to ownership housing in Brampton over the next 10 years. Furthermore, all scenarios represent an increase in annual dwelling growth compared to historical trends observed between 2001 and 2021.



Figure 2-6
City of Brampton
Annual Housing Growth by Tenure, Historical and Forecast Scenarios, 2001 to 2031



Source: Historical data from Statistics Canada Census. Forecast by Watson & Associates Economists Ltd, 2022.



3. What Impacts would the Bill 23 10-Year Housing Target have on the City of Brampton?

Achieving a target of 113,000 new households in the City of Brampton over the next 10-years would generate a significant increase in the City's rate of population and employment growth over the next 10 years. As such, accommodating this magnitude of urban development over the decade would have significant impacts on the City in the following ways:

- **Housing Implications** – As previously, noted, a target of 113,000 households over the next 10-years would require an increase in total annual housing construction at a level nearly three times historical levels achieved over the past 10 years. With respect to the rental housing market, the required level of new housing would be approximately seven times the historical level achieved over the past decade. The majority of the City's identified rental housing needs would need to be accommodated through the primary rental market (i.e. purpose built rentals having at least three rental units).¹ Purpose-built rental housing is an important component of a well-balanced housing inventory because primary rental market units are not subject to the broader market fluctuations of the secondary rental market, which may affect longer-term availability in the rental market. Accordingly, providing a greater share of purpose-built rental housing units would help ensure greater stability and certainty with respect to the City's availability of rental housing stock over the longer term. Purpose-built rental units also tend to have lower market rents when compared to most rental units provided through the secondary market. Purpose-built housing also offers greater opportunities to integrate both non-market and market housing units within developments.

¹ The Canadian Housing and Mortgage Corporation (CMHC) identifies the primary rental market as structures that have at least three rental units. These properties are typically operated by an owner, manager, or building superintendent. CMHC identifies rented condominiums, subsidized rental housing, and rentals in structures of less than three units as part of the secondary rental market. In fact, all rentals – except privately initiated, purpose-built rental structures of three units or more – are included in the secondary rental market.



The City of Brampton faces two key challenges regarding its ability to accommodate a sharp increase in the level of purpose-built rental housing over next decade and beyond. First, accommodating a greater supply of purpose-built rental housing opportunities in the City of Brampton would require greater participation from the private sector development community to construct such housing types. A key challenge related to this effort is that purpose-built rental housing typically is less financially feasible when compared to the construction of condominium developments and freehold ownership housing. Simply put, the anticipated financial risk is generally higher and anticipated return on investment is generally lower when considering purpose-built rental housing to ownership housing. The second challenge the City of Brampton faces in providing a greater inventory of purpose-built housing is the supply of labour related to the housing construction industry in the GTHA. Within Ontario, the GTHA municipalities represent approximately 57% of provincial 1.5 million home target, which would require a significant increase in related labour given current labour shortages in this area. While it is recognized that a direct objective of the Bill 23 is to provide more housing to address the current labour shortage across the province, achieving the provincial 10-year housing target under Bill 23 would require an immediate increase in labour force supply related to housing construction sector which is unlikely to be realized.

- **Planning Implications** – Over the next several decades, the focus of residential development within the City of Brampton is anticipated to continue to shift from greenfield to intensification as the City’s remaining vacant greenfield areas continue to steadily develop. From a planning policy perspective, Strategic Growth Areas (SGAs) including the City’s Urban Growth Centre (UGC) and Major Transit Station Areas (MTSAs) represent priority locations for residential development given the amenities that these locations provide with respect to access to high-order transit, retail, and other community services. Accordingly, increased housing targets in the City of Brampton associated Bill 23 would be largely directed to the City’s SGAs within the City’s built-up areas (BUAs).

Starting in 2019, the City of Brampton began developing its new OP following extensive study and public engagement during 2017 and 2018, which resulted in the Brampton 2040 Vision. A substantial increase to the City’s 10-year housing target, as set out through Bill 23, would require a complete re-examination of the



City's approach to planning and long-term growth management over the 2051 planning horizon, as well as interim periods.

- **Impacts on Infrastructure and Municipal Service Needs** – Additional population growth associated with the higher housing targets as set out though Bill 23 would require significant increases across all Regional and local infrastructure and municipal service needs, particularly within the BUA where the majority of increased housing demand is anticipated to be directed. While small scale infill or redevelopment can benefit from existing capacity associated with hard municipal services, large scale intensification projects can come at a high cost given costs associated with the replacement, improvement and maintenance of existing services which have not been planned to accommodate significant increases in housing, population, and employment growth.
- **Implications of Increased Employment growth and Non-Residential Building Space Needs** - Increased population growth is anticipated to generate a direct increase in the need for population-related employment such as retail, accommodation and food services, and health care and social services and education. Increased employment will also place further demands on infrastructure needs as well as commercial and institutional building space requirements. Similar to residential development, non-residential space needs are anticipated to be greatest within the BUA.
- **Increased Employment Area Conversion Pressure** – Increased demand for housing and non-residential building space associated greater population-related employment growth will increase pressure for the conversion of Employment Areas, of which the City has a finite supply. Employment Areas form a vital component of the City of Brampton's land use structure and represent an integral part of its local economic development potential and competitiveness. If not carefully evaluated, the conversion of Employment Areas to non-employment uses can potentially lead to negative impacts on the local economy in several ways. First, Employment Area conversions can reduce employment opportunities, particularly in export-based sectors, creating local imbalances between population and employment. Second, Employment Area conversions can potentially erode employment land supply and lead to further conversion pressure as a result of encroachment of non-employment uses within, or adjacent to, Employment Areas. Finally, Employment Area conversions can



potentially fragment existing Employment Areas, undermining their functionality and competitive position.

- **Financial Implications** – It is beyond the scope of this response to comprehensively address the financial implications of Bill 23. Broadly, Bill 23 is anticipated to result in lost development charge (D.C.) revenues by phasing-in new D.C. By-Laws over five years, introducing new D.C. exemptions, removing funding related to water/wastewater master plans and environmental assessments and potentially removing some municipal services which are currently D.C. eligible. This potential loss in D.C. funding noted above must then be passed on to existing rate payers. This comes at a time when municipalities must implement asset management plans under the *Infrastructure for Jobs and Prosperity Act, 2015* to maintain existing infrastructure. Significant annual rate increases in property taxes and user rates may then limit funding to the capital budget and hence delay servicing of additional developable lands for housing.



Appendix A



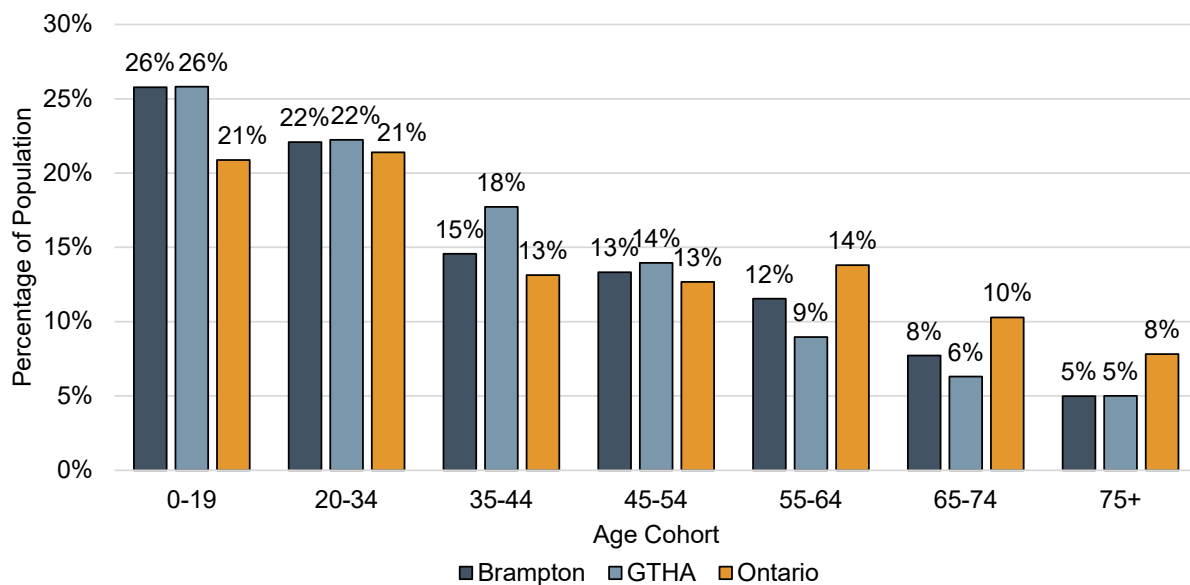
City of Brampton Demographic and Socio-Economic Profile

The City of Brampton's Population is Younger and is Growing Faster Relative to the most other Ontario Municipalities

Figure A-1 summarizes the population structure by age cohort for 2021 by major age groups in the City of Brampton compared to the GTHA and Province of Ontario as a whole. Key observations regarding the City of Brampton historical population by age include the following:

- Generally, the City of Brampton's age structure is younger than the provincial average;
- The City of Brampton has a similar proportion of youth and adults between the ages of 0-19 and 20-34, respectively, to the GTHA; and
- The City of Brampton also has a slightly larger proportion of older adults in the 55-74 age group in comparison to the GTHA.

Figure A-1
City of Brampton, Greater Toronto Hamilton Area, and the Province of Ontario
Population by Age Cohort, 2021



Note: Population include net Census undercount.

Source: Derived from Statistics Canada Census and Table 17-10-0139-01 by Watson & Associates Economists

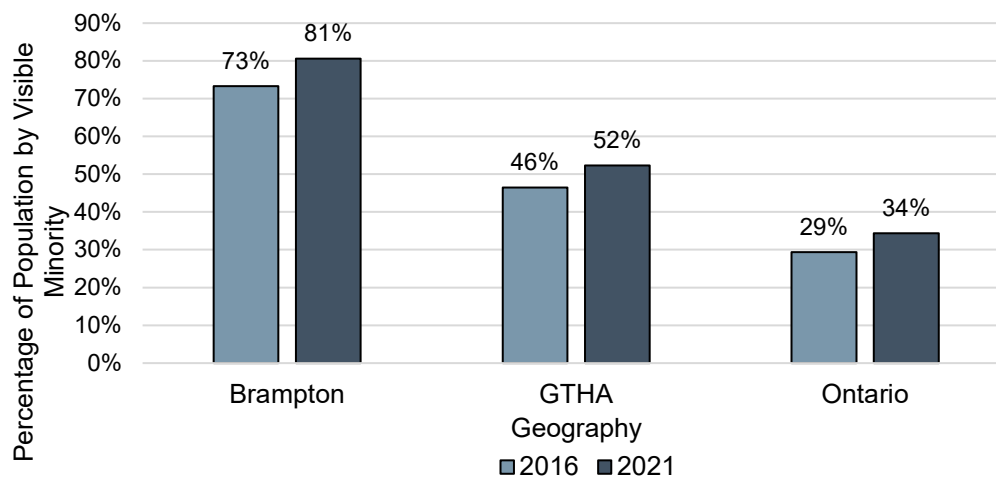


The City of Brampton has a Higher Percentage of Visible Minority Population

The ethnic diversity of the City of Brampton is also anticipated to influence future housing needs associated with population growth. Figure A-2 identifies the percentage total of population categorized as “visible minority” according to the 2021 and 2016 Census within the City of Brampton, the GTHA, and the Province of Ontario.

- During the 2016 to 2021 period, the percentage share of visible minorities in the City of Brampton increased by 8% from 73% to 81%.
- Comparatively, the percentage share of visible minorities in the GTHA and Ontario increased by 6% and 5%, respectively.

Figure A-2
City of Brampton, Greater Toronto Hamilton Area, Province of Ontario
Proportion of Population by Visible Minority, 2016 to 2021



Source: Statistics Canada Census 2016 and 2021, summarized by Watson & Associates Economists Ltd.

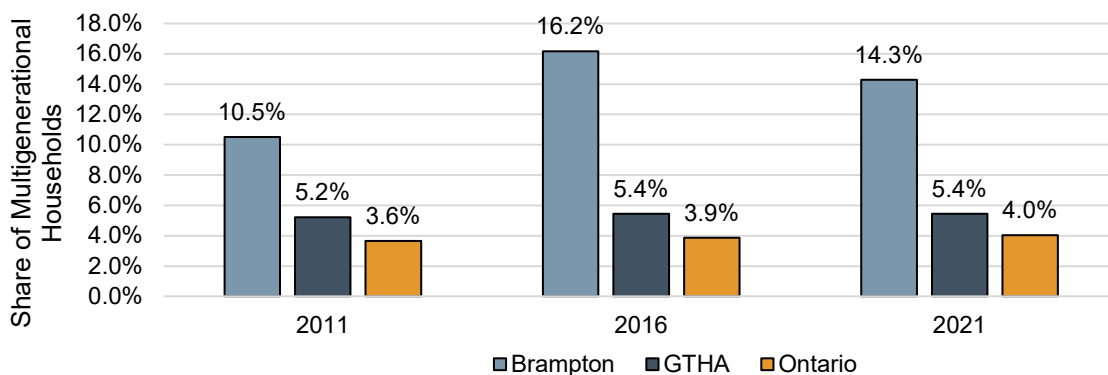
Households Trends by Family Type, 2021

Multi-generational households are defined by Statistics Canada as a household where there is at least one person who is both the grandparent of a person in the household and the parent of another person in the same household. The 2021 Census also includes households where there is at least one person who is both the child of a person in the household and the grandchild of another person in the same household.



Figure A-3 illustrates multi-generation households as a percentage share of total occupied households in the City of Brampton, the GTHA., and the Province of Ontario. Comparatively, the City of Brampton has a much higher occurrence of multi-generation households than the GTHA and Ontario. It is also noted that the City of Brampton experienced a roughly 6% increase in the share of multi-generation households between 2011 to 2016, while the GTHA. and Ontario experienced very modest increases of 0.2% and 0.3% respectively. Figure A-4 illustrates “Other Census Family” household types for Brampton in comparison to the GTHA and Ontario. Brampton has a higher proportion for all other family household types.

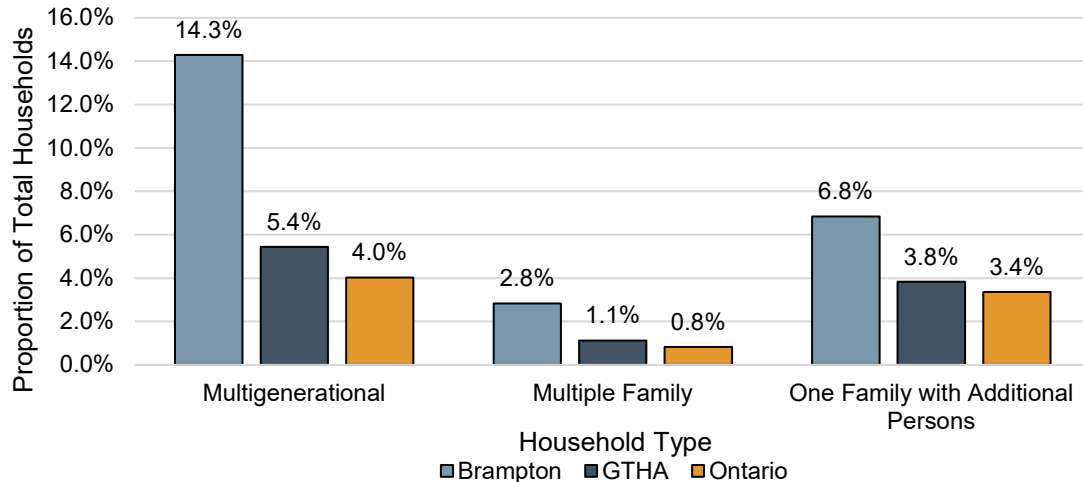
Figure A-3
City of Brampton, Greater Toronto Hamilton Area, Province of Ontario
Multigenerational Households as a Proportion of Total Occupied Households, 2011 to 2021



Source: Statistics Canada, 2011 and 2016 Census of Population, and 2021 Census Profile.



Figure A-4
City of Brampton, Greater Toronto Hamilton Area, Province of Ontario
Other Census Family Households as a Proportion of Total Occupied Households, 2021



Source: Statistics Canada Census 2021, summarized by Watson & Associate Economists Ltd.

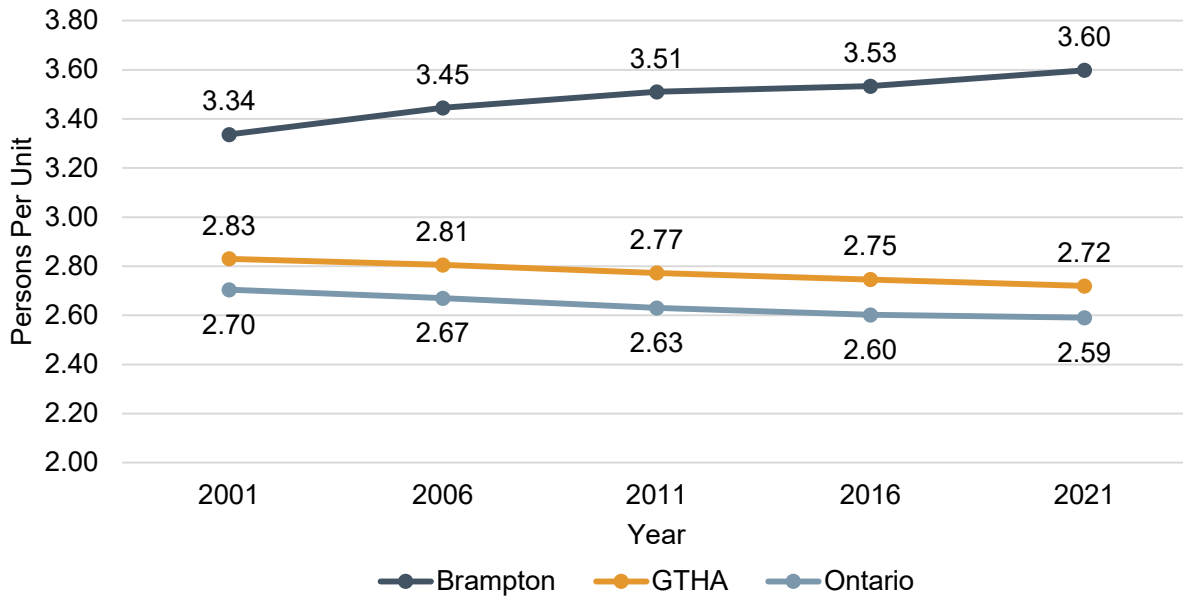
Average Household Size in Brampton has Historically been well above Regional and Provincial Averages

Figure A-5 illustrates PPU's for the City of Brampton, the GTHA, and the Province of Ontario between 2001 and 2021.

- The GTHA and Ontario both show a consistent downward trend in PPU's over the 2001 to 2021 period, indicating a decrease in average household size;
- In contrast, the City of Brampton has seen an opposite trend over the historical period, the average PPU increasing from 3.34 to 3.60, indicating an increase in average household size; and
- Newer residential units and lower density housing forms tend to skew larger in household size, explaining part of this upwards trend in Brampton.



Figure A-5
City of Brampton, Greater Toronto Hamilton Area, and the Province of Ontario
Average Persons Per Unit, 2001 to 2021



Note: Population used to calculate persons per unit does not include the net Census undercount.
Source: Derived from Statistics Canada Census 2001 to 2021 by Watson & Associates Economists Ltd.

Household Income Levels in Brampton are Comparatively Lower Regional Averages

Figure A-6 summarizes average household income growth for The City of Brampton, the Region of Peel and the Province of Ontario between 2000 and 2020. As of 2020, the estimated average household income in the City of Brampton was \$124,500 which is higher compared to the average household income for the Province of Ontario, but lower than the average household income for the Region of Peel.



Figure A-6
City of Brampton, Region of Peel, Province of Ontario
Average Household Income, 2000 to 2020

Average Household Income			
Census Year	City of Brampton	Region of Peel	Province of Ontario
2001	\$78,100	\$80,600	\$66,800
2006	\$83,400	\$87,800	\$78,000
2011	\$89,000	\$93,900	\$85,800
2016	\$98,900	\$104,500	\$97,900
2021	\$124,500	\$127,200	\$116,000
Average Household Income Annual Growth			
Census Year	City of Brampton	Region of Peel	Province of Ontario
2001-2006	\$1,060	\$1,440	\$2,240
2006-2011	\$1,120	\$1,220	\$1,560
2011-2016	\$1,980	\$2,120	\$2,420
2016-2021	\$5,120	\$4,540	\$3,620
Average Household Income Annual Growth Rate			
Census Year	City of Brampton	Region of Peel	Province of Ontario
2001-2006	1.3%	1.7%	3.1%
2006-2011	1.3%	1.4%	1.9%
2011-2016	2.1%	2.2%	2.7%
2016-2021	4.7%	4.0%	3.5%

Note: Census year income shown is for previous year; e.g. 2001 to 2021 is 2000 to 2020 income.
Source: 2001 to 2021 data derived from Statistics Canada Census and NHS by Watson & Associates Economists Ltd.

Trends in Housing Prices and Rents Relative to Income

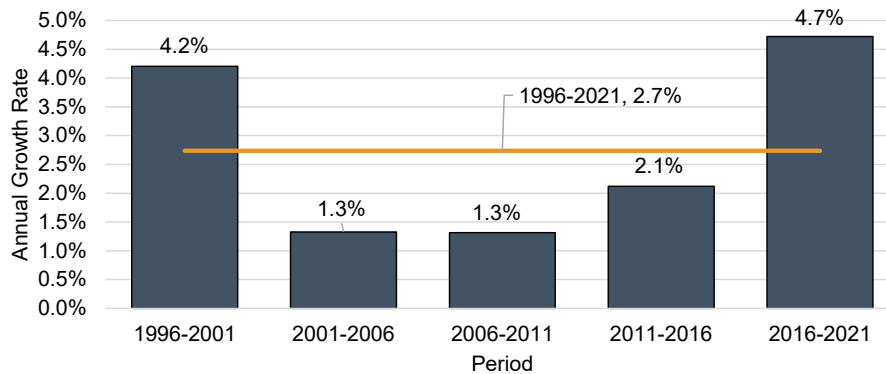
Figures A-7 and A-8 illustrate the average household income annual growth rate compared to annual increases in housing prices for single-detached units and rental housing rates between 2001 and 2021.

- Average household income growth across the City of Brampton has not kept pace with housing price appreciation over the past two decades.
- Annual wage growth for the City of Brampton increased 2.7% while the price of single-detached houses increased at a much higher rate of 6.3%.



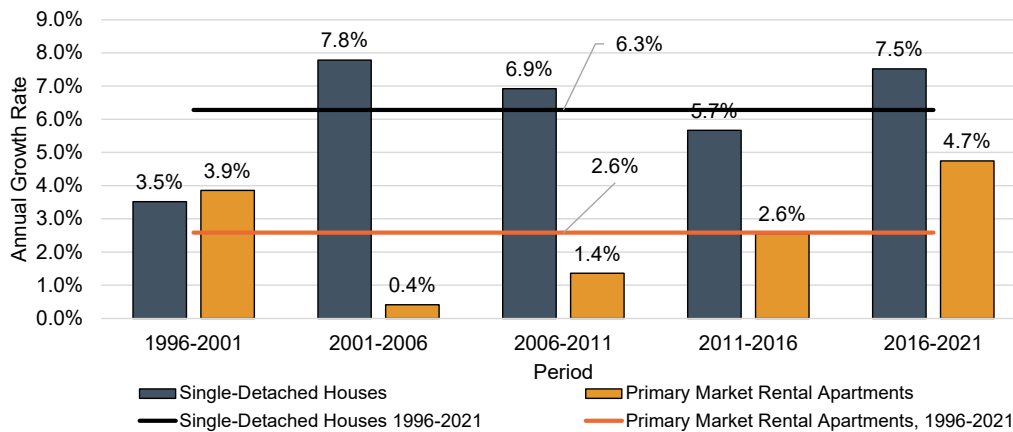
- Primary-market rental units increased at a similar annual rate to wage growth, at 2.6%, indicating it as a more attainable housing tenure.

Figure A-7
City of Brampton
Average Household Income Annual Growth Rate, 1996 to 2021



Source: Derived from Statistics Canada Census, 1996 to 2021 by Watson & Associates Economists

Figure A-8
City of Brampton
Annual Growth Rate in Single Detached Housing Prices and Primary Rental Market Apartment Rent, 1996 to 2021



Source: Derived from CMHC Market Absorption Survey and Rental Market Survey by Watson & Associates Economists Ltd.