

# Housing affordability and Affordable Housing FACT SHEET



HOMELESSNESS

EMERGENCY SHELTER

TRANSITIONAL HOUSING

SUPPORTIVE HOUSING

COMMUNITY HOUSING

**AFFORDABLE HOUSING**

MARKET HOUSING

As the service manager for housing and homelessness in Waterloo Region, the Region of Waterloo has an important role in addressing housing affordability. This includes working closely with area municipalities, developers and community partners to expand access to housing that is affordable for those with low to moderate incomes. In Waterloo Region, agencies work together to help people find and keep a home. This **Housing affordability and Affordable Housing fact sheet** shares information about:

- Defining housing affordability and affordable housing; and
- Identifying the kinds of housing considered affordable and for whom.

## Defining housing affordability and affordable housing



Housing affordability is widely defined using the cost of housing as a percentage of household income. According to the Canada Mortgage and Housing Corporation, housing in

Waterloo Region and across Canada is said to be affordable when households are spending no more than 30 per cent of their pre-tax income on housing costs. As the income and resulting budget varies across households, so does the amount a household can afford to pay for housing. In the Province of Ontario, the term Affordable Housing refers to housing that is affordable to low and moderate income households.<sup>1</sup>

Keeping the cost of housing below 30 per cent of a household's pre-tax income helps to ensure that households have enough money to pay for food, transportation, and other costs of living. When a household is paying 30 per cent or more of their pre-tax income towards housing costs, they are at higher risk of losing their housing if economic or health circumstances change. Households with the lowest incomes (such as those receiving Ontario Works or the Ontario Disability Support Program, seniors living on a low fixed income, and those earning minimum wage) are most likely to be living in housing that is not affordable.

<sup>1</sup> To evaluate if a unit is considered affordable housing, the Province requires a comparison of the average market rent/cost of a unit with 30 % of what a household at or below the 60th percentile is earning. The lesser of these numbers determines what is the affordable rent/price.

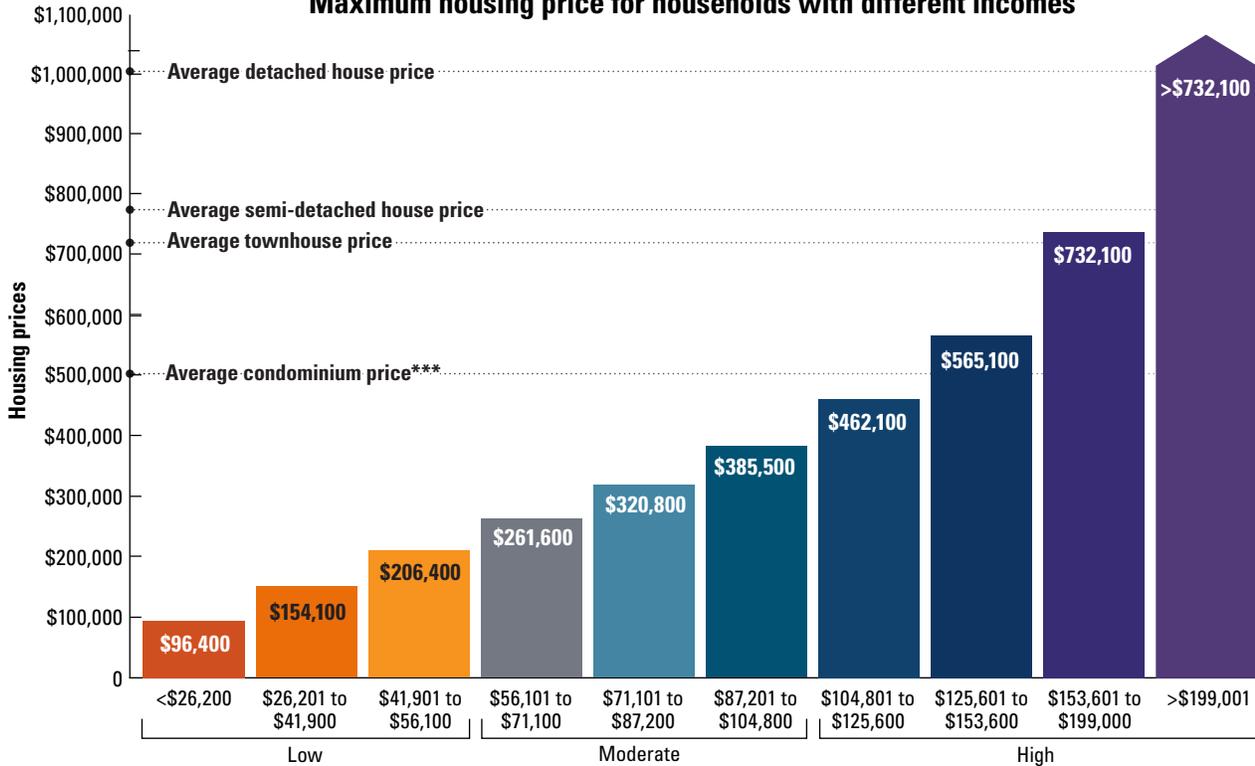
# Identifying the kinds of housing considered affordable and for whom



There are various housing types available to households with different income levels. These housing types include non-market (where the cost of housing to the household is subsidized or reduced) and private market (where the cost of housing is influenced by the supply and demand in that

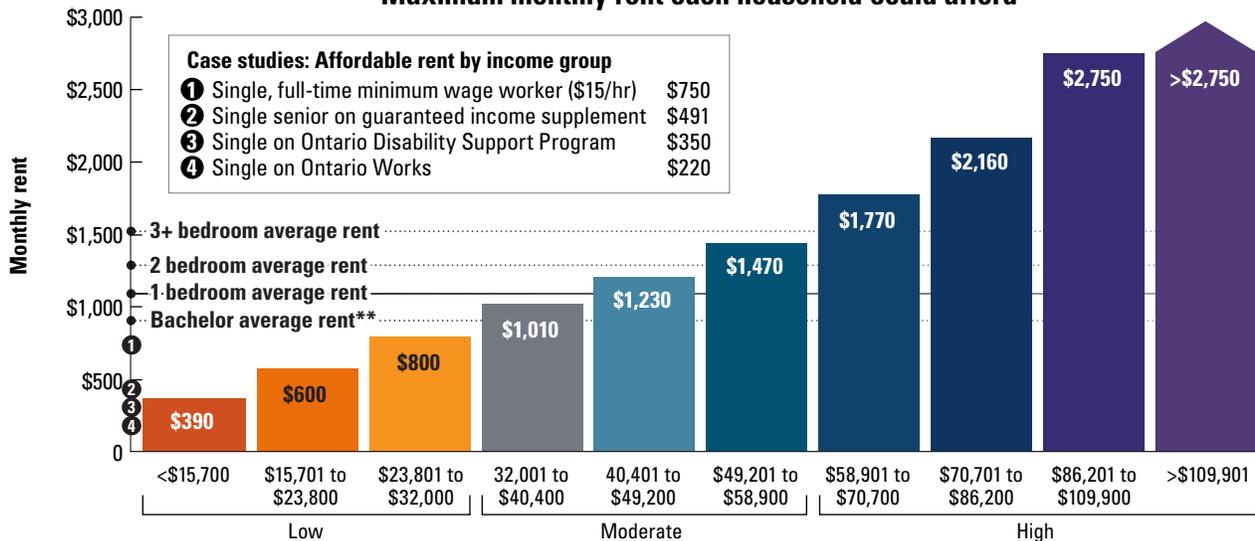
geographic area), along with temporary and permanent housing types. Households may move in and out of housing types as their incomes and needs change. The following charts show the income deciles, or ranges, for all households in Waterloo Region along with the maximum monthly rent or mortgage to make the housing costs fit within the household's budget.

**Maximum housing price for households with different incomes**



**Income deciles (ranges) for all owner households in Waterloo Region**

**Maximum monthly rent each household could afford**



**Income deciles (ranges) for all renter households in Waterloo Region**

\* Income decile data and affordability thresholds are derived from the Provincial Policy Statement (2021) Annual Tables

\*\* Average apartment rents (2021) data provided by the Canada Mortgage and Housing Corporation

\*\*\* Average residential housing prices (2021) data provided by the Kitchener-Waterloo Association of Realtors