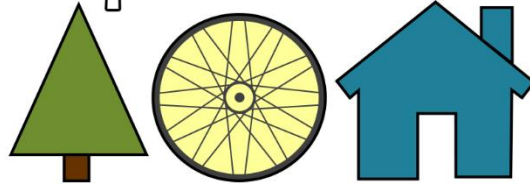


Shape the Sault.ca



Sault Ste. Marie Official Plan Review

## COMMUNITY PROFILE OF HOUSING IN SAULT STE. MARIE

### Information Package

City of Sault Ste. Marie – Planning Division

Last updated: January 2020



**SAULT STE. MARIE**

## WHY IS THIS IMPORTANT?

Housing that is adequate, affordable and meets the full range of residents' housing needs is considered one policy cornerstone in building strong communities. The "Housing First" social service approach, which has been adopted by agencies in Sault Ste. Marie, is based on the idea that a person's overall wellbeing cannot be addressed until they have adequate and affordable housing. In addition, the availability of good housing is a critical ingredient in attracting and retaining youth, young families, skilled workers and new immigrants to Sault Ste. Marie.

## WHAT WE KNOW: COMMUNITY CONTEXT

### Households in Sault Ste. Marie

According to the 2016 Canada Census, there are 34,485 residential dwelling units in the City of Sault Ste. Marie, of which 32,635 are occupied by usual residents.

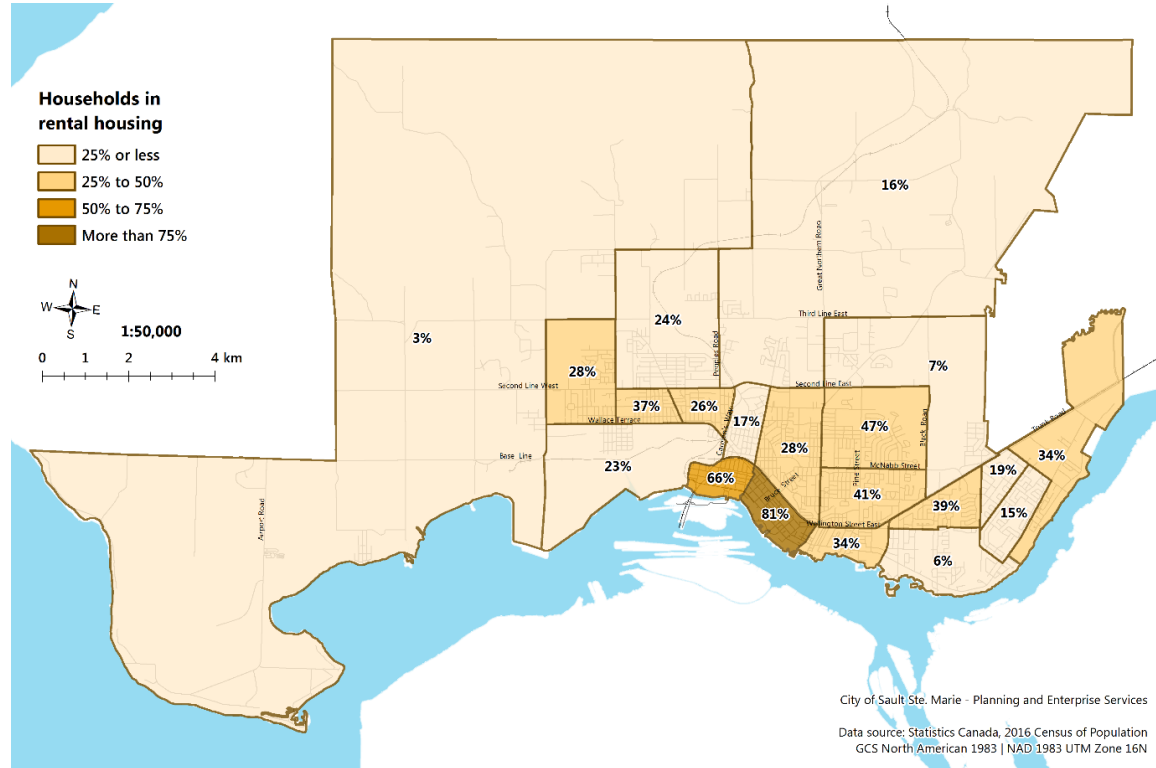
In Sault Ste. Marie, homeownership rates are similar to Ontario's provincial average - around seven in ten households own their home rather than rent their home. However, in Downtown Sault Ste. Marie, which is designated and planned as the core of the city, the opposite is true in that the vast majority of households rent rather than own their home.

### **Table: Rates of homeownership vs. home rental by residents of Sault Ste. Marie and Ontario.**

*Source: Statistics Canada, 2016 Census of Population.*

	Sault Ste. Marie		Ontario	
	Rate	Count	Rate	Count
Own	68.7%	22,410	69.7%	3,601,825
Rent	31.3%	10,225	30.2%	1,559,720

**Map: Proportion of households in Sault Ste. Marie who rent rather than own their home.**



**Age of housing stock**

More than three quarters of homes in Sault Ste. Marie were built before 1980. Across all of Ontario, slightly more than one half of homes were built before 1980.

**Table: Age of current housing stock in Sault Ste. Marie and Ontario.**

Source: Statistics Canada, 2016 Census of Population.

	Sault Ste. Marie	Ontario
1960 or before	35.9%	25.0%
1961 to 1980	40.7%	28.0%
1981 to 2000	17.6%	25.8%
2001 to 2016	5.8%	21.2%

**Housing acceptability - affordable, adequate and suitable**

According to the Canada Mortgage and Housing Corporation (CMHC), housing is considered **acceptable** if it is affordable, adequate and suitable for the household that lives in it.

- **Affordable:** Costs less than 30% of before-tax household income.
- **Adequate:** Does not require any major repairs.
- **Suitable:** Has enough bedrooms for the size and make-up of the household.

A household is in **core housing need** if their home:

- a) does not meet at least one of the adequacy, affordability or suitability standards, and
- b) the household would have to spend 30% or more of their before-tax income to pay the median rent of alternative local housing that is considered acceptable.

**Table: Households in Sault Ste. Marie and Ontario living in unacceptable housing.**

*Source: Statistics Canada, 2016 Census of Population.*

	<b>Sault Ste. Marie</b>	<b>Ontario</b>
% of households in core housing need	10.7%	15.3%
% of households in homes that are not affordable	21.3%	27.7%
% of households in homes that are not adequate	6.8%	6.1%
% of households in homes that are not suitable	2.0%	6.0%

The Province requires all Ontario municipalities to establish and implement minimum **affordability targets** for providing housing that is considered affordable to low and moderate income households. Compared to Ontario as a whole, Sault Ste. Marie has a smaller proportion of households who are in unaffordable homes or who are in core housing need.

Census data also show that housing costs in Sault Ste. Marie are much less than the average costs in Ontario, especially in terms of homeownership. However, rental affordability in the Sault is on par with the rest of Ontario. Furthermore, data at the census tract level show that there is a clear concentration of households in core housing need, as well as housing that is unaffordable or inadequate, in the Downtown and the areas surrounding the Downtown.

**Table: Households spending 30% or more of income on the costs of owning or renting their home in Sault Ste. Marie and Ontario.**

Source: Statistics Canada, 2016 Census of Population.

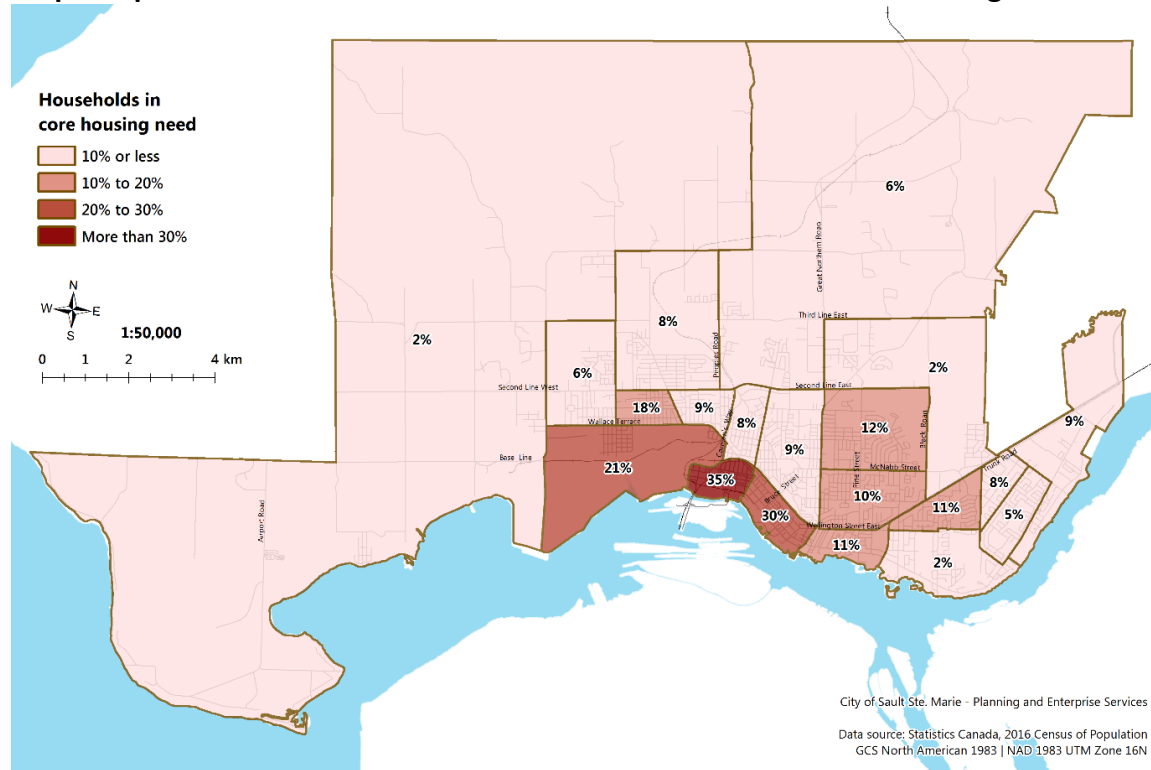
	Sault Ste. Marie	Ontario
% of all households	21.3%	27.7%
% of owner households	10.3%	19.8%
% of renter households	45.4%	45.7%

**Table: Shelter costs of homes in Sault Ste. Marie and Ontario.**

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

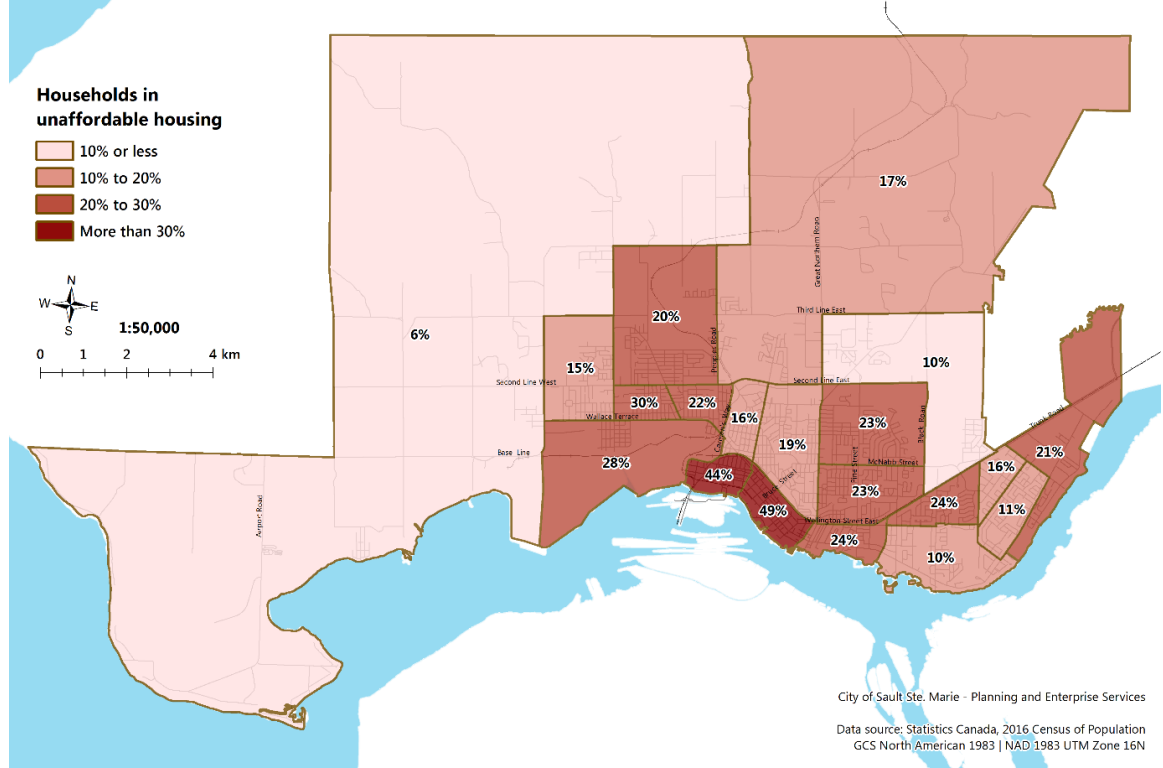
	Sault Ste. Marie		Ontario	
	2016	2011	2016	2011
Average monthly shelter costs for owned dwellings	\$ 1,020	\$ 884	\$ 1,463	\$ 1,284
Average monthly shelter costs for rented dwellings	\$ 786	\$ 642	\$ 1,109	\$ 926

**Map: Proportion of households in Sault Ste. Marie who are in core housing need.**

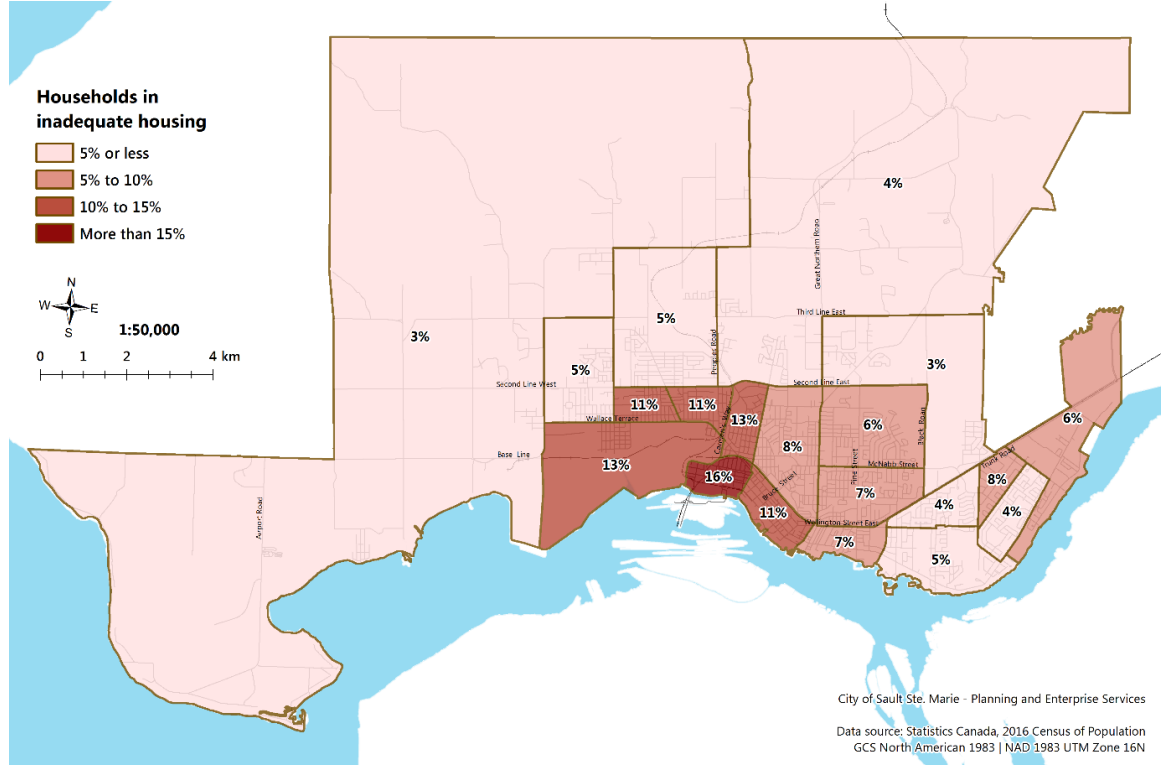




Map: Proportion of households in Sault Ste. Marie who live in unaffordable housing.



Map: Proportion of households in Sault Ste. Marie who live in inadequate housing.





**Homelessness and subsidized housing**

Despite being a small city, Sault Ste. Marie still faces its share of need for social housing to address homelessness and precarious housing.

**Table: Households on wait list for housing and homeless persons in Sault Ste. Marie.**

*Source: District of Sault Ste. Marie Social Services Administration Board.*

	<b>Date of most recent data</b>	<b>Number</b>
Households on wait list for subsidized housing (rent-geared-to-income)	August 2019	1,164 households
Homeless persons estimated through point-in-time count	April 2018	102 persons

**Housing market in Sault Ste. Marie**

The value of homes in Sault Ste. Marie has steadily grown over the past years. However, it's clear that homes in Sault Ste. Marie generally cost much less than homes across Ontario on average.

**Table: Average sale price for residential properties in the City of Sault Ste. Marie.**

*Source: Sault Ste. Marie Real Estate Board.*

Year	Average sale price
2016	\$ 189,862
2017	\$ 198,123
2018	\$ 202,415

**Table: Average value of owner-occupied homes in Sault Ste. Marie and Ontario.**

*Source: Canada Mortgage and Housing Corporation & Statistics Canada.*

Type of home	Average home value in City of Sault Ste. Marie		Average home value in Ontario	
	2016	2011	2016	2011
Single-detached house	\$ 240,300	\$ 195,739	\$ 528,331	\$ 382,055
Semi-detached house	\$ 257,738	\$ 127,088	\$ 417,027	\$ 345,265
Duplex	\$ 181,993	\$ 133,827	\$ 599,952	\$ 393,384
Townhouse	\$ 180,816	\$ 170,580	\$ 492,914	\$ 305,183
Apartment/condo unit in building with fewer than 5 storeys	\$ 204,327	\$ 175,989	\$ 487,653	\$ 357,106
Apartment/condo unit in building with 5 or more storeys	\$ 232,627	\$ 212,339	\$ 390,659	\$ 307,587
<b>All homes</b>	<b>\$ 235,086</b>	<b>\$ 189,204</b>	<b>\$ 505,645</b>	<b>\$ 366,813</b>



Many of Sault Ste. Marie's residential neighbourhoods have little variations in housing types, resulting in limited housing choices in these areas. Provincial policies direct all Ontario municipalities to permit and facilitate the construction of all forms of housing, in order to meet the diverse needs of people of all demographics.

Neighbourhoods with a diverse mix of housing forms provide choices to suit a wider range of people. For example, if within the same neighbourhood there are single-detached homes, townhouses and apartments, residents can more easily stay in the same neighbourhood while progressing through different life stages, because they can live in homes suited to different needs; this is known as **aging in place**.

Currently, single-detached homes comprise almost two thirds of all housing in Sault Ste. Marie, and almost two thirds of all homes contain three or more bedrooms.

**Table: Occupied housing in Sault Ste. Marie and Ontario by type of home.**

*Source: Statistics Canada, 2016 Census of Population.*

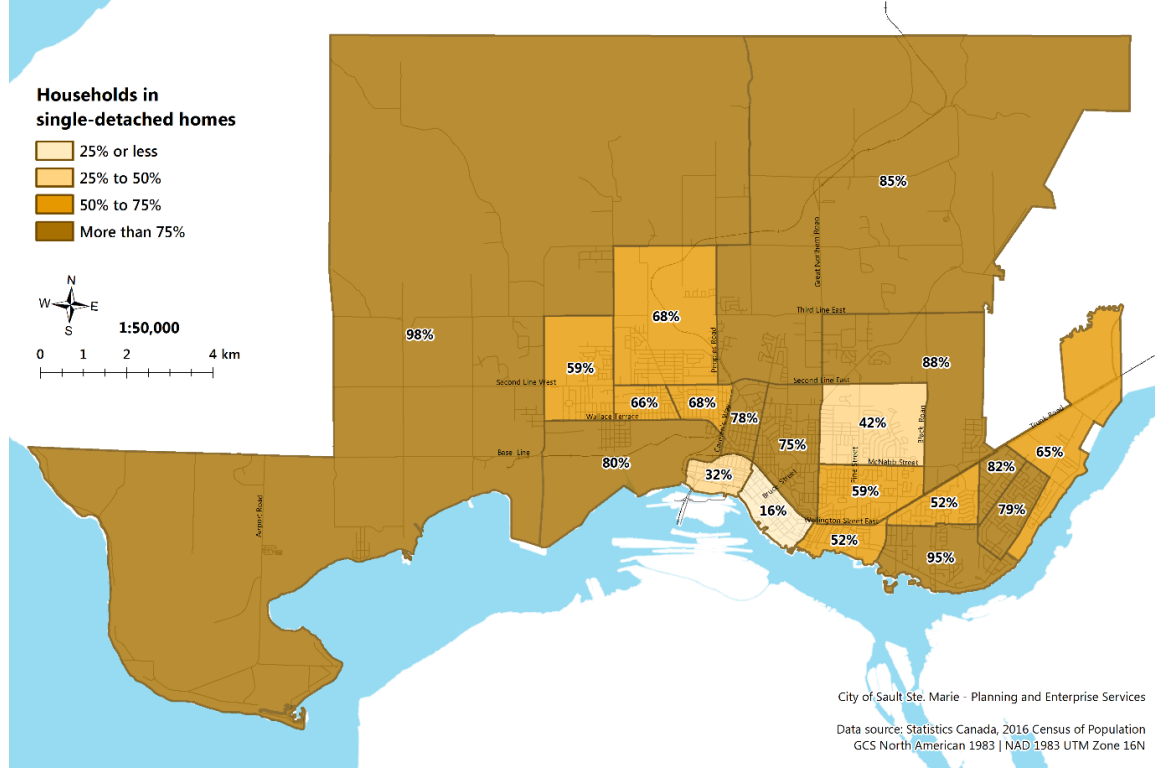
Type of home	Sault Ste. Marie (2016)	Ontario (2016)
Single-detached house	65.0%	54.3%
Semi-detached or duplex	10.4%	9.0%
Townhouse	2.9%	8.9%
Apartment/condo unit in building with fewer than 5 storeys	14.9%	10.1%
Apartment/condo unit in building with 5 or more storeys	6.4%	17.2%

**Table: Occupied housing in Sault Ste. Marie and Ontario by number of bedrooms.**

*Source: Statistics Canada, 2016 Census of Population.*

Number of bedrooms	Sault Ste. Marie (2016)	Ontario (2016)
No bedrooms / bachelor	0.2%	0.7%
1 bedroom	12.3%	13.5%
2 bedrooms	22.5%	21.7%
3 bedrooms	43.9%	36.3%
4 or more bedrooms	21.0%	27.8%

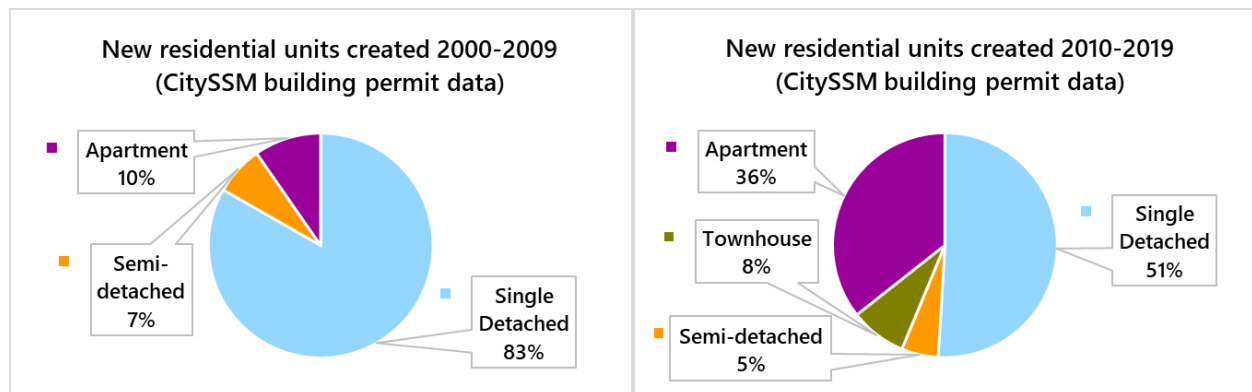
**Map: Proportion of occupied homes in Sault Ste. Marie that are single-detached houses.**



Over the past two decades, Sault Ste. Marie has seen a considerable shift in the types of housing being built, with a noticeable trend towards greater demand for denser types of housing (apartments and townhouses) and less demand for single detached homes.

**Chart: Comparison of new residential units constructed over the past two decades.**

Source: City of Sault Ste. Marie.



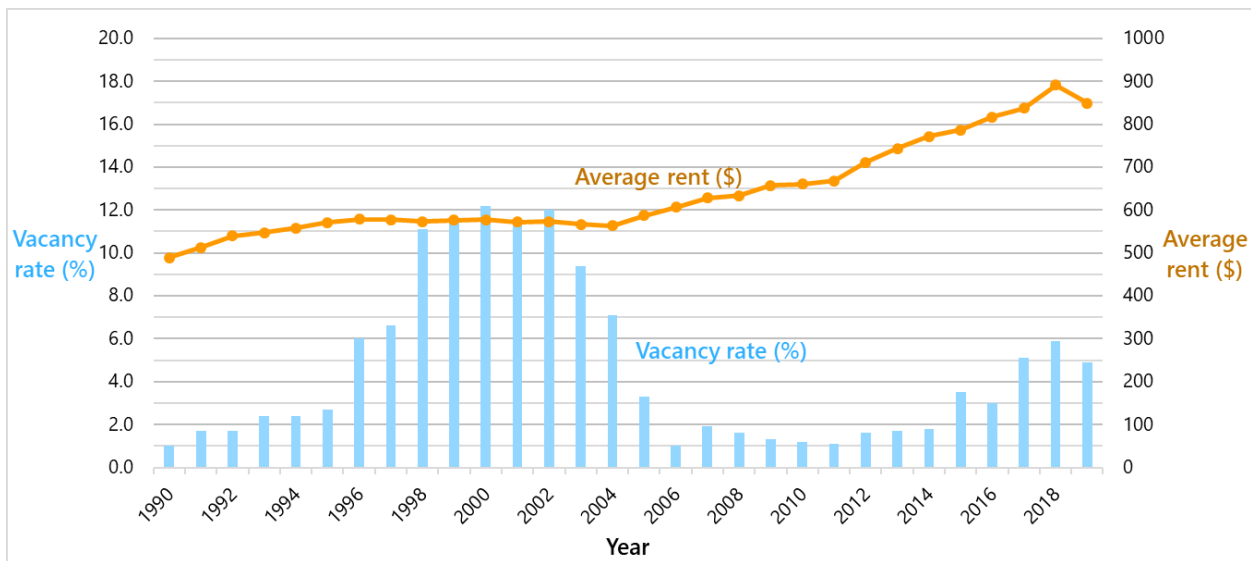
**Rental market in Sault Ste. Marie**

An indicator of housing availability is the rental vacancy rate. A very low vacancy rate has implications for affordability – a healthy vacancy rate is often considered to be between 3% to 5%. Between 2006 and 2014, vacancy rates in Sault Ste. Marie were consistently low, averaging 1.5%. This was due to a lack of rental housing being built, as well as demand for rentals from younger people moving here for work and older people looking to downsize and rent.

In order to increase the stock of rental housing, the City introduced a tax rebate program in 2014 called the **Rental Housing Community Improvement Plan** to incentivize construction of rental units. Since 2014, this program has incentivized the creation of 267 rental units across 12 development projects. This has resulted in the rental vacancy rate returning to healthier levels. There has also been a slight effect on the average monthly rent in Sault Ste. Marie.

**Chart: Vacancy rate and average monthly rent in Sault Ste. Marie.**

Source: Canada Mortgage and Housing Corporation, Rental Market Survey (apartments and townhouses in private buildings containing at least 3 rental units).



**Table: Vacancy rates of rental housing in Sault Ste. Marie.**

Source: Canada Mortgage and Housing Corporation, Rental Market Survey (apartments and townhouses in private buildings containing at least 3 rental units).

	<b>Bachelor</b>	<b>1 Bedroom</b>	<b>2 Bedroom</b>	<b>3+ Bedroom</b>	<b>TOTAL</b>
2011 October	n/a	n/a	0.7%	0.0%	1.1%
2012 October	1.4%	1.5%	1.8%	1.5%	1.6%
2013 October	2.4%	1.4%	1.8%	2.3%	1.7%
2014 October	n/a	1.7%	1.9%	1.3%	1.8%
2015 October	n/a	3.9%	3.3%	4.1%	3.5%
2016 October	n/a	3.9%	2.5%	3.2%	3.0%
2017 October	n/a	3.9%	5.9%	5.8%	5.1%
2018 October	4.3%	5.5%	6.5%	4.0%	5.9%
2019 October	n/a	3.7%	5.3%	4.3%	4.9%

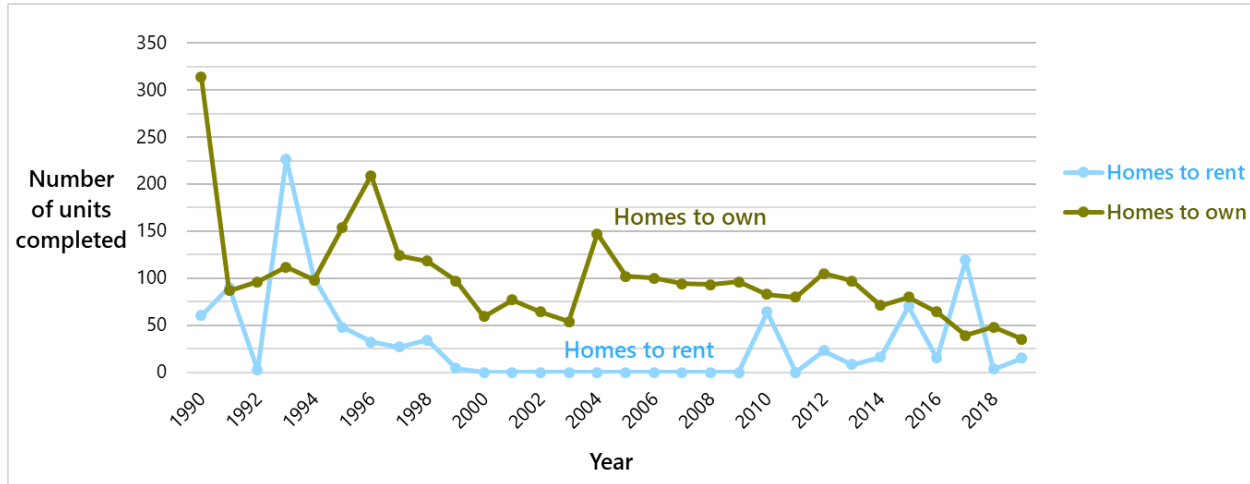
**Table: Average rent of rental housing in Sault Ste. Marie.**

Source: Canada Mortgage and Housing Corporation, Rental Market Survey (apartments and townhouses in private buildings containing at least 3 rental units).

	<b>Bachelor</b>	<b>1 Bedroom</b>	<b>2 Bedroom</b>	<b>3+ Bedroom</b>	<b>TOTAL</b>
2011 October	\$ 444	\$ 581	\$ 719	\$ 784	\$ 668
2012 October	\$ 464	\$ 631	\$ 764	\$ 793	\$ 711
2013 October	\$ 489	\$ 671	\$ 802	\$ 778	\$ 744
2014 October	\$ 558	\$ 689	\$ 821	\$ 833	\$ 771
2015 October	\$ 545	\$ 717	\$ 836	\$ 840	\$ 787
2016 October	\$ 581	\$ 722	\$ 875	\$ 871	\$ 817
2017 October	\$ 590	\$ 736	\$ 909	\$ 887	\$ 837
2018 October	\$ 603	\$ 772	\$ 973	\$ 930	\$ 891
2019 October	\$ 591	\$ 744	\$ 921	\$ 922	\$ 849

**Chart: Housing units completed in Sault Ste. Marie for ownership and rental.**

Source: Canada Mortgage and Housing Corporation, Starts and Completions Survey.



**Table: Total number of rental units in Sault Ste. Marie.**

Source: Canada Mortgage and Housing Corporation, Rental Market Survey (apartments and townhouses in private buildings containing at least 3 rental units).

Note: CMHC only surveys rental units in privately initiated buildings with at least three rental units and which have been on the market for at least three months.

	Bachelor	1 Bedroom	2 Bedroom	3+ Bedroom	TOTAL
2011 October	172	1,688	2,562	470	4,892
2012 October	177	1,672	2,557	468	4,874
2013 October	184	1,676	2,558	467	4,885
2014 October	183	1,669	2,571	468	4,891
2015 October	194	1,675	2,571	485	4,925
2016 October	191	1,677	2,614	482	4,964
2017 October	194	1,680	2,645	480	4,999
2018 October	188	1,693	2,663	470	5,014
2019 October	187	1,683	2,678	465	5,013

**How much of the housing in Sault Ste. Marie is "affordable" in 2018?**

According to the Provincial Policy Statement, in the case of **ownership housing**, "affordable" means the least expensive of:

1. 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 (where "low and moderate income households" are those with incomes in the lowest 60% of the income distribution for all households in the regional market area); or
2. Housing for which the purchase price is at least 10 percent below the average purchase price of a resale unit in the regional market area.

*Note: "Regional market area" for Sault Ste. Marie includes the City of Sault Ste. Marie and Prince Township.*

**Table: Household incomes and affordable house prices in Sault Ste. Marie (2018)**

*Source: Ministry of Municipal Affairs and Housing, Common Local Indicators.*

Income percentile	Income (all households)	Affordable house price
10th	\$ 20,000	\$ 70,900
20th	\$ 29,900	\$ 105,900
30th	\$ 41,000	\$ 145,300
40th	\$ 51,600	\$ 182,800
50th	\$ 65,300	\$ 231,400
60th	\$ 80,900	\$ 286,700
70th	\$ 99,300	\$ 351,900
80th	\$ 124,600	\$ 441,500
90th	\$ 160,000	\$ 566,900

**Table: Average and median resale house prices in Sault Ste. Marie (2018)**

*Source: Ministry of Municipal Affairs and Housing, Common Local Indicators.*

Average resale price	Median resale price	10% below average resale price
\$ 229,103	\$ 208,928	\$ 206,193

Based on the Provincial Policy Statement definition and data from the Ministry of Municipal Affairs and Housing, in terms of ownership housing in Sault Ste. Marie, **an affordable home for purchase would have a price of \$206,193 in 2018.** Comparing this number to Sault Ste. Marie's median resale price, it can be said that **just under half of all homes for purchase in Sault Ste. Marie in 2018 can be considered to be affordable ownership housing.**

According to the Provincial Policy Statement, in the case of **rental housing**, "affordable" means the least expensive of:

1. A unit for which the rent does not exceed 30 percent of gross annual household income for low and moderate income households (where "low and moderate income households" are those with incomes in the lowest 60% of the income distribution for renter households in the regional market area); or
2. A unit for which the rent is at or below the average market rent in the regional market area.

**Table: Renter household incomes and affordable rents in Sault Ste. Marie (2018)**

*Source: Ministry of Municipal Affairs and Housing, Common Local Indicators.*

Income percentile	Income (renter households only)	Affordable monthly rent
10th	\$ 12,900	\$ 320
20th	\$ 17,600	\$ 440
30th	\$ 21,700	\$ 540
40th	\$ 26,000	\$ 650
50th	\$ 31,300	\$ 780
60th	\$ 38,200	<b>\$ 960</b>
70th	\$ 46,500	\$ 1,160
80th	\$ 58,800	\$ 1,470
90th	\$ 78,500	\$ 1,960

**Table: Average market rents in Sault Ste. Marie (2018)**

*Source: Ministry of Municipal Affairs and Housing, Common Local Indicators.*

Average bachelor rent	Average 1 bedroom rent	Average 2 bedroom rent	Average 3+ bedroom rent	Average rent for all units
\$ 603	\$ 772	\$ 968	\$ 929	<b>\$ 886</b>

Based on the Provincial Policy Statement definition and data from the Ministry of Municipal Affairs and Housing, in terms of rental housing in Sault Ste. Marie, **an affordable rental home would have a monthly rent of \$886 in 2018**. Given that the median rent in Sault Ste. Marie is \$891 in 2018 (CMHC Rental Market Survey), it can be said that **approximately half of all market rental homes in Sault Ste. Marie in 2018 can be considered to be affordable rental housing**.

**Table: 2018 snapshot of affordability for ownership and rental housing across Ontario**

*Source: Ministry of Municipal Affairs and Housing, Common Local Indicators.*

<b>Municipality</b> Based on regional market area	<b>Proportion of all households that can "afford" the <u>average resale home price</u> in that municipality</b>	<b>Proportion of renter households that can "afford" the <u>average apartment rent</u> in that municipality</b>
Timmins	63%	54%
Thunder Bay	51%	47%
<b>Sault Ste. Marie</b>	<b>51%</b>	<b>44%</b>
Windsor	46%	53%
Greater Sudbury	46%	51%
Sarnia	44%	49%
North Bay	43%	49%
Ottawa	32%	53%
London	32%	48%
Kingston	30%	43%
Guelph	22%	54%
Barrie	21%	50%
Hamilton	18%	49%
Toronto	Less than 10%	44%
<b>Ontario</b>	<b>19%</b>	<b>47%</b>

According to the Ministry of Municipal Affairs and Housing, **51% of all households in Sault Ste. Marie can "afford" the average resale home price in 2018.** Across all of Ontario, only 19% of households in Ontario can "afford" the province-wide average resale home price in 2018, suggesting again that Sault Ste. Marie has excellent home ownership affordability compared to the rest of the province.

In addition, according to the Ministry of Municipal Affairs and Housing, **44% of renter households in Sault Ste. Marie can "afford" the average apartment rent in 2018.** Across all of Ontario, 47% of renter households in Ontario can "afford" the province-wide average apartment rent in 2018, suggesting again that rental affordability in Sault Ste. Marie is not much different than in the rest of the province.