

Housing Needs Assessment: Update and Preliminary Findings

City of Cambridge

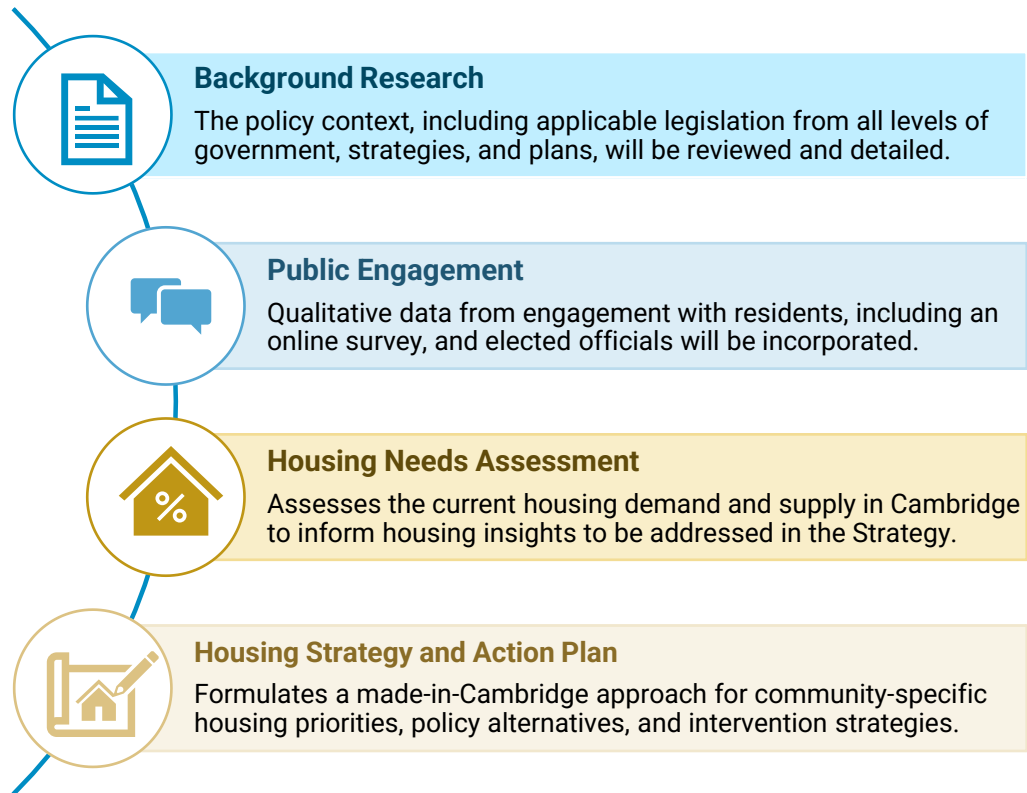
Study Background

The City of Cambridge is seeking a Housing Needs Assessment and Housing Strategy (the Strategy) to determine the near and long-term demand for housing and the current gaps observed across the housing continuum. The objectives of the study are to:

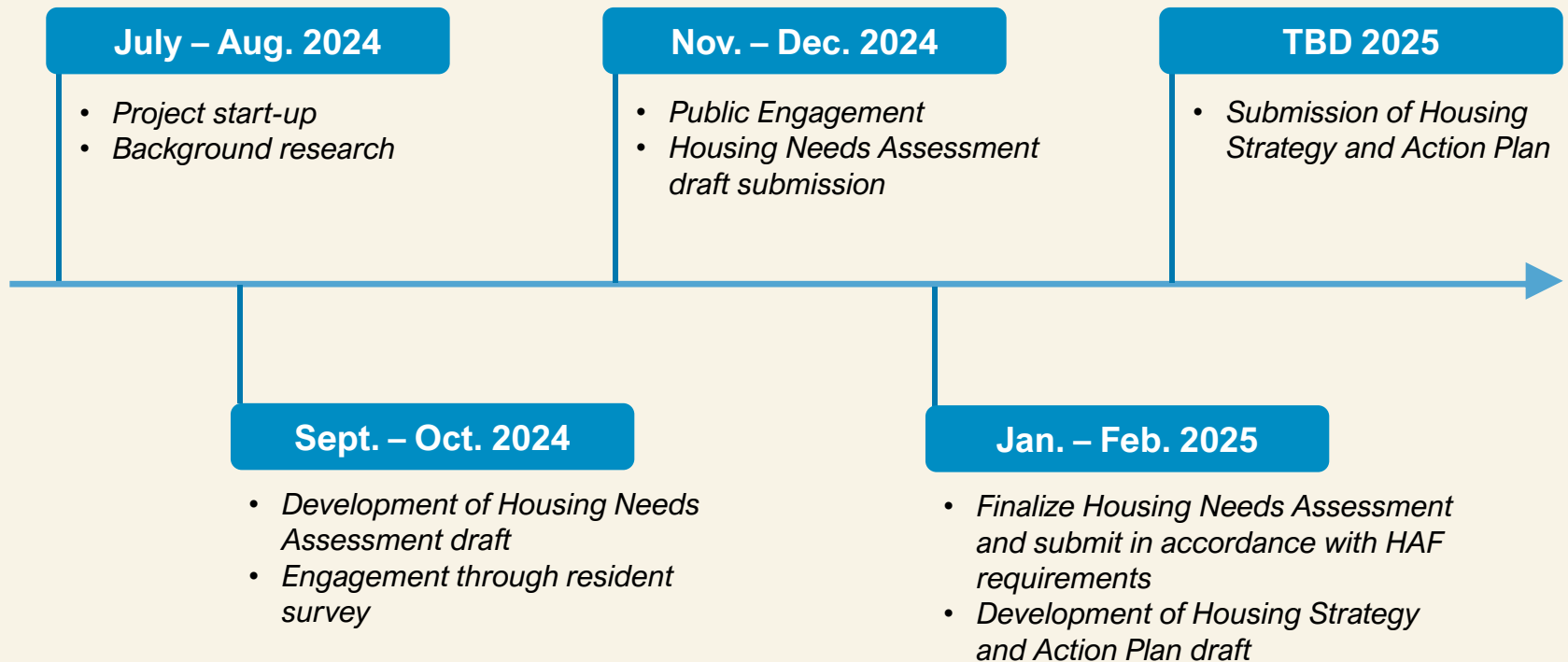
- Provide a measured assessment of present and future unmet housing demand from now to 2051, which addresses the entire housing continuum;
- Evaluate the success and challenges of existing affordable housing;
- Provide clear guidance on what, where, and how housing needs and gaps can be addressed through the future Affordable Housing Strategy;
- Provide the necessary background information and supporting analysis to inform the policy directions of the City's new Official Plan and make informed policy recommendations to develop new and updated Official Plan policies, as required; and
- Ensure that there are sufficient housing options in the City to meet the full spectrum of housing needs to the year 2051.

The Strategy will help decision makers, stakeholders and community members have a meaningful sense of the housing market, understand key issues and provide policy recommendations to inform decision making.

The following components will be completed throughout this study:



Project Timeline



Housing Needs Assessment

A Housing Needs Assessment (HNA) provides a systematic and quantified analysis of housing needs in a community. This assessment aims to link the supply of housing with the need for housing.

Housing Needs Assessments help all levels of government understand the local housing needs of communities – how they may relate to infrastructure priorities - by providing the data necessary to determine what kind of housing needs to be built and where.

This HNA will address the requirements of these reports under the Housing Accelerator Fund (HAF). Under the HAF, the Government of Canada currently requires funding recipients to complete an HNA by year 3 of the program, if one has not already been completed within two years of the 2022 federal budget announcement (April 7, 2022). Once an HNA has been completed as a federal program requirement, a community will not be required to complete a new one for other Housing, Infrastructure and Communities Canada programs, other than to update it every five years.

The following components, including the housing indicators assessed within, will be included within the Housing Needs Assessment for this study:

Demand Profile Overview

- Population growth
- Population age
- Household tenure
- Household type and size
- Household Maintainer characteristics
- Household mobility
- Household income
- Economic characteristics
- Jobs by industry

Priority Populations Overview

- Homelessness
- Households with a member with a disability
- Immigrant population
- Visible minorities
- Indigenous populations

Housing Supply Overview

- Existing housing stock trends
- Housing supply by tenure
- New dwellings (Completions and Starts)
- Building permit and planning application data
- Non-market housing stock

Affordability Overview

- Shelter-to-Income Ratio
- Core Housing Need
- Owner household market trends and affordability
- Renter household market trends and affordability

Projected Housing Need

- Population Projection
- Household Projection
- Housing Demand Projection
- Long-Term Planning Considerations

// Housing Needs Assessment Components

Housing Needs Assessments are developed to assess the housing indicators that inform **key housing insights** in each municipalities. These indicators are sorted into four main sections: housing demand, priority populations analysis, housing supply, and housing affordability. These sections are detailed below.

Demand Profile Overview	Priority Populations Overview	Housing Supply Overview	Affordability Overview
<p>The demand profile in the community will highlight factors influencing housing demand, including an overview of population characteristics and projections, household trends, and income characteristics.</p> <p>The demographic profile includes the household income profile and the economic profile for the labour force in each community.</p>	<p>This priority populations analysis of the community will highlight factors influencing priority population groups as defined by CMHC.</p> <p>These populations may not be captured within the Statistics Canada community profiles. Trends impacting priority populations are crucial in determining the need for different types of supports for those in need in a community.</p>	<p>The housing supply of the community will highlight factors influencing housing supply, including average market rents, average absorbed housing prices, housing starts and completions, and vacancy rates.</p> <p>Supply data will be compared against demand data to help determine the need for housing in community.</p>	<p>The affordability analysis component provides a review of housing affordability based on the characteristics of the demand and the available supply of housing units.</p>
Demand Profile: The Data	Priority Populations: The Data	Housing Supply: The Data	Affordability: The Data
<p>The demand-side characteristics examined include:</p> <ul style="list-style-type: none"> ○ Population trends, including projections, population age trends, and demographic trends ○ Household characteristics, including tenure, size, and composition, as well as characteristics of primary household maintainers ○ Household incomes, including average incomes and income decile information ○ Economic characteristics, including labour market trends, industries of employment, and commuting patterns 	<p>The demographic and supply-side characteristics of these populations and supports for them are examined, including:</p> <ul style="list-style-type: none"> ○ Trends for those experiencing homelessness. ○ Households with a member with a disability, including several activity limitations. ○ Trends associated with population groups such as Indigenous households, visible minorities, and people with immigrant status. 	<p>Several supply-side characteristics are examined, including:</p> <ul style="list-style-type: none"> ○ The existing housing stock, including dwelling types and the age and composition of the stock. ○ New Dwelling trends, including housing starts and completions, and planning application pipeline insights ○ Non-market (Supportive, transition, and emergency) housing stock characteristics 	<p>Several affordability indicators are assessed, including:</p> <ul style="list-style-type: none"> ○ Proportion of the population spending 30% or more on shelter costs ○ Prevalence of core housing need ○ Market housing supply, including ownership and rental prices and vacancy rates ○ Affordability of existing ownership and rental housing market

// Housing Needs Assessment Components

Housing Needs Assessments developed to satisfy the requirements for the Federal Government's *Housing Accelerator Fund* are required to incorporate project housing need. These projections aim to answer how much and what type of housing is needed to meet the needs of the population over the next ten (10) years.

Projected Housing Need Overview

The **projected housing need** section should be able to convey, through a data-driven narrative, how many housing units are needed by income category, household size and dwelling type over the next ten years.

In this section, past growth trends and future demographic projections, including recent immigration patterns, aging population dynamics, and economic trends will be considered. Furthermore, any pre-existing housing shortages, as evidenced by indicators such as recent trends in rental vacancy rates, growth in prices/rents, the number of households in core housing need, and the aging of their current housing stock are considered.

Projected Housing Need: The Data

The projection for household need will be influenced by a variety of data inputs. The key inputs for each projection step are outlined below.

- **Population trends** are developed through a survival cohort method. This methodology incorporates existing survival trends, births, and projected net migration trends.
- **Household characteristics**, including household composition and household size, will be projected. Household formation will be calculated on a per year basis.
- **Housing demand projections**, including household tenure and dwelling type, will be projected for household compositions. Existing housing shortages will be incorporated into the final calculations.
- **Household projections by income category** will be developed based on the household projections.

Housing Needs Assessments in Long-Term Planning

The use of Housing Needs Assessment in long-term planning will be addressed within this section of the report. The findings from the Housing Needs Assessment will inform concrete actions that can address identified needs within the community including, but not limited to the follow:

- How the findings may inform community development plans or policies to address identified needs.
- Where gaps in the available data exist and may be improved to better inform development patterns, growth management strategies, and master planning efforts.
- Anticipated growth pressures caused by infrastructure gaps that will need to be prioritized to effectively plan and prepare for forecasted growth.

Preliminary HNA Insights and Housing Gaps

Housing Demand

- **Population growth in the City of Cambridge (+6.6%) was faster than the province (+5.8%),** but lower than Region-wide growth (+9.7%) from 2016 to 2021
- The **age of the population of Cambridge (40.0 years) is slightly older,** on average, than the population of Waterloo Region (39.4 years)
- Population growth (+6.6%) exceeded household growth (+6.3%) as the **households with four or more people were the fastest growing in Cambridge (+10.6%)** from 2016 to 2021
- The **average household size (2.7 persons per household) in Cambridge was larger** than the Region and province (2.6 persons, both), as the proportion of households containing families with children (30.4%) or multi-generation families (4.5%) was higher in Cambridge
- Households maintained by an adult aged 65 and older **made up almost three-quarters (72.6%) of the household growth** in Cambridge from 2016 to 2021
- Cambridge had the **lowest proportion of households maintained by someone aged under 25 (1.6%)** in the Region
- **Median household incomes in Cambridge (\$93,000) were consistent** Region- and province-wide levels (\$92,000 and \$91,000, respectively)

Figure 01 • Age distribution in the City of Cambridge, 2016-2021

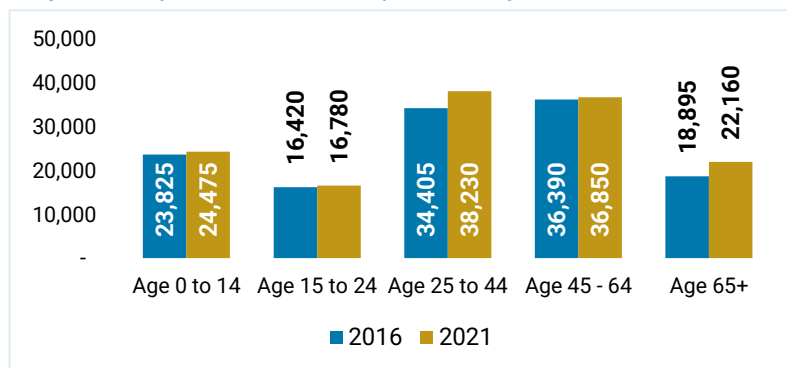


Figure 02 • Household composition in the City of Cambridge, 2021

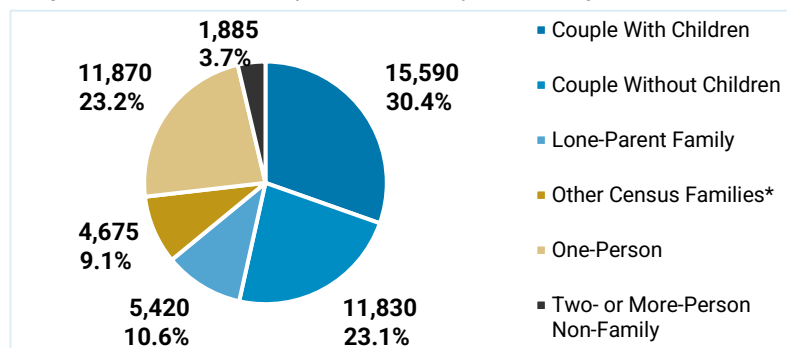
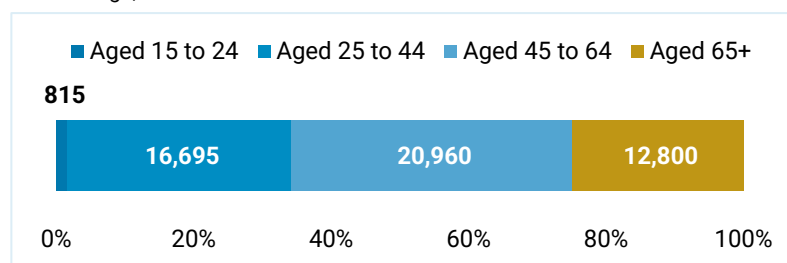


Figure 03 • Primary household maintainer age distribution in the City of Cambridge, 2021



Source: Statistics Canada Community Profiles, 2016-2021
 * Other Census Families include multi-generational household, multiple family households, and Census families with additional persons

// Preliminary HNA Insights and Housing Gaps

Priority Populations

- As of a point-in-time count in 2021, there were **1,085 people experiencing homeless across Waterloo Region**
- The **By-Name List count in Cambridge contained 532 people** in 2024, an increase from 2022 (457 people)
- Cambridge has a **lower share of the population with immigrant status (23.2%)** relative to provincial (30.0%) and Regional (25.4%) trends
- Most immigrants in Cambridge arrived in Canada either **before 1980 (27.9%)** or **between 2011 and 2021 (23.3%)**
- Relative to provincial trends (2.9%), a **lower proportion of the population of Cambridge identified as Indigenous (1.9%)**

Figure 04 • By Name list count for the City of Cambridge, 2022-2024

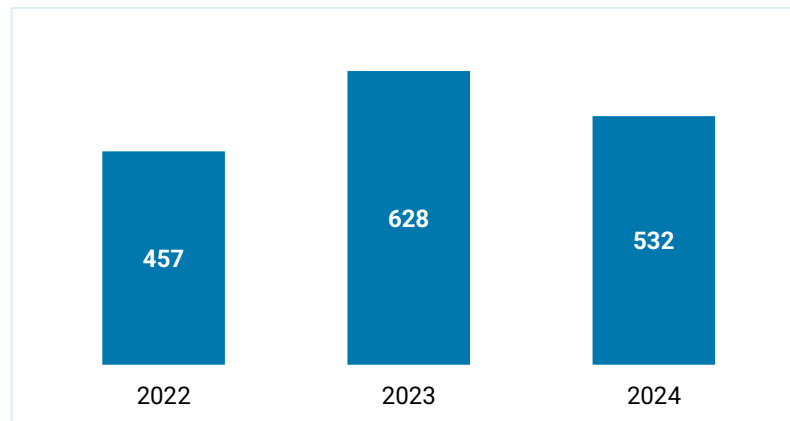
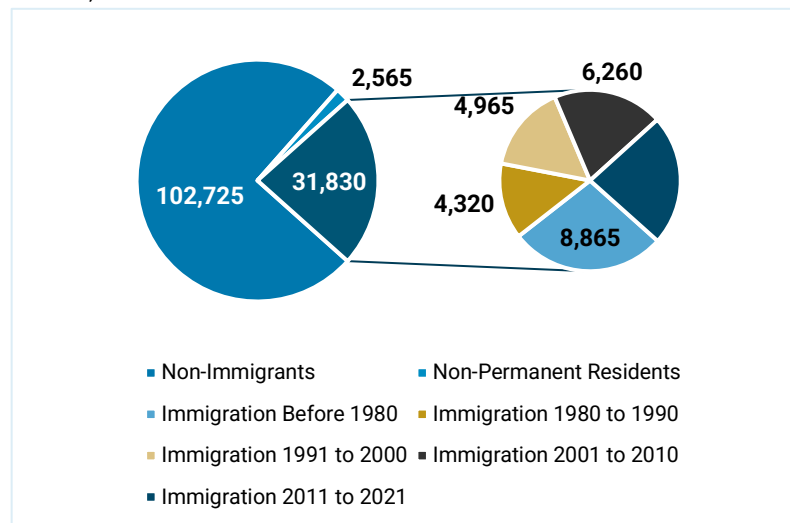


Figure 05 • Distribution of immigrant population in Cambridge by year of arrival, 2021



Source: City of Cambridge staff; Statistics Canada Community Profiles, 2016-2021

// Preliminary HNA Insights and Housing Gaps

Housing Supply

- **Single-detached dwellings made up more than half (56.8%)** of the existing housing stock in Cambridge
- Cambridge had a **lower share of apartment dwellings in buildings with five- or more-storeys (5.9%)** relative to comparable municipalities in the Region (12.9%)
- The **number of bedrooms per dwelling was consistent with Regional trends**, with a slightly higher rate of three-bedroom units (43.6%) relative to the Region (41.0%)
 - The **proportion of dwellings that were not suitable for the occupying household (5.8%) in Cambridge was slightly below** the Regional rate (6.0%)
- The **housing stock is older** than the region average, based on the date of building construction; as the housing stock in Cambridge had the lowest proportion of dwellings constructed between 2001 and 2021 in the Region (23.8%)
 - The **rate of major repairs required (5.2%) was higher** in Cambridge relative to the Region (4.5%)
- There has been a **shift from the development of single-detached dwellings to rows and apartments** in Cambridge
- As of 2024, there were **959 Waterloo Region Housing units, 585 non-profit housing units, 302 co-operative housing units, and 504 affordable units** in Cambridge
 - There are **4,210 households on the active waitlist** for community housing in Waterloo Region

Figure 06 • Distribution of dwellings by structure type in the City of Cambridge, 2021

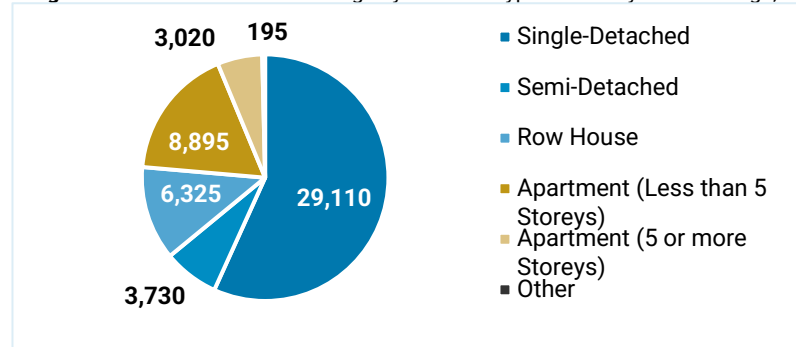


Figure 07 • Distribution of dwellings by age of construction in the Waterloo Region and the City of Cambridge, 2021

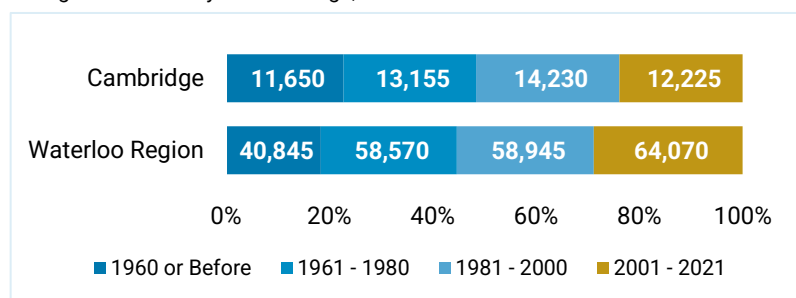
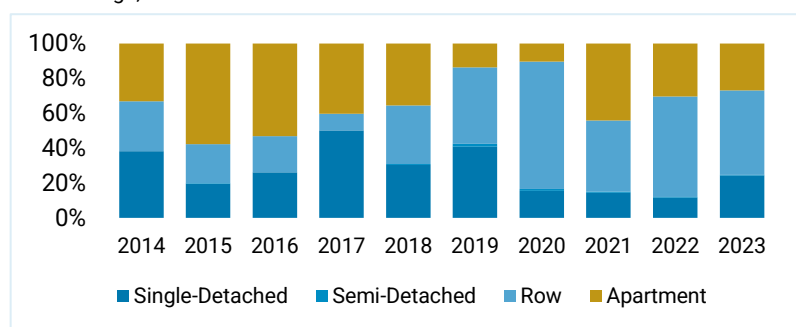


Figure 08 • Distribution of housing completions by structure type in Cambridge, 2014-2023



Source: Statistics Canada Community Profiles, 2021; CMHC Housing Starts and Completions Survey, 2014-2023

// Preliminary HNA Insights and Housing Gaps

Housing Affordability

- The proportion of households spending 30% or more of their household income on shelter in Cambridge (21.2%) was consistent with Regional trends (21.8%) in 2021
 - Renters (35.3%) are much more likely to be facing affordability issues relative to owner households (14.8%)**
- The proportion of households in core housing need in Cambridge (9.3%) was consistent with Regional trends (9.0%)
 - Renters (21.1%) are much more likely to be in core housing need relative to owner households (4.1%)**
- From 2016 to 2021, renter households (+12.7%) are growing faster than the supply of purpose-built rental units (+5.2%) in Cambridge, leading to a tighter rental market with increased prices and decreased vacancy**
- Ownership housing prices have grown at a substantial rate for newly constructed dwellings, particularly single-detached dwellings**

Figure 09 • Primary market rent prices in Cambridge, 2014-2023

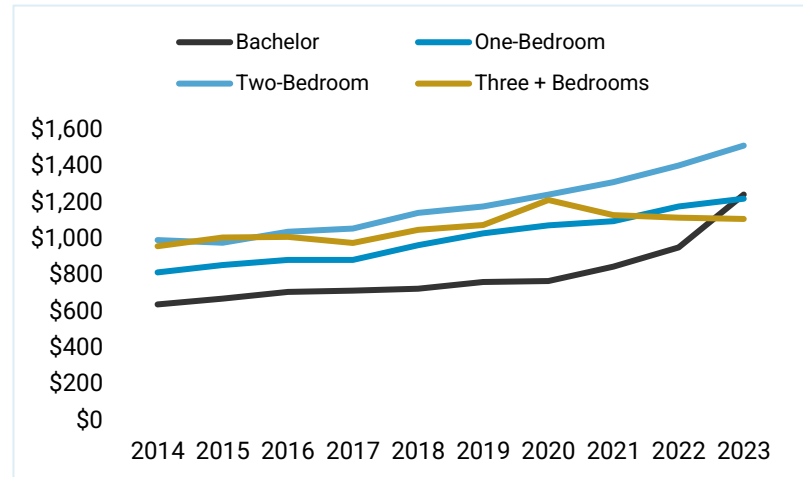
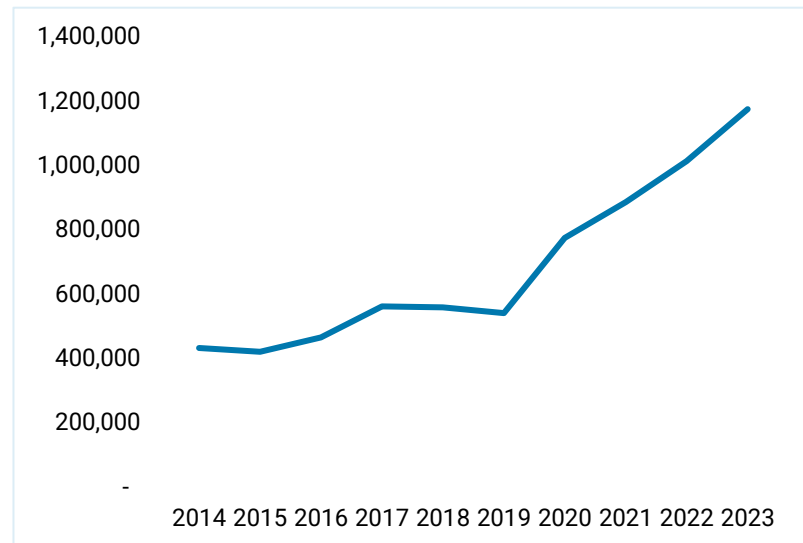


Figure 10 • Ownership housing prices for newly constructed homes in Cambridge, 2014-2023



Source: CMHC Rental Market Survey, 2014-2023; CMHC Market Absorption Survey, 2014-2023

// Preliminary HNA Insights

Preliminary Housing Gaps



There is a need for housing options for households at a range of life stages



Young populations looking to form new households



Households looking to form family households, including multi-generational



Older adults looking to age-in-place



There is a need to match household growth trends with diverse housing options



Family units within dense built forms, like row and apartment dwellings



Large, family-sized units within purpose-built rental buildings



There is a need for affordable rental housing units to match growth in renter households



There is a need for affordable ownership options