



Township of Woolwich

Housing Needs Assessment

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Executive Summary

The Township of Woolwich, situated north-east of Kitchener-Waterloo within the Region of Waterloo, Ontario, has been experiencing significant population growth over the past several decades. This has resulted in substantial pressure on the local housing market.

Demographic shifts, increased housing costs, and the availability of a mostly limited type of housing are all important considerations affecting the Township of Woolwich's housing situation.

The Township is at a critical juncture for considering how to broaden the types of housing stock along the housing continuum, evaluating their role in addressing the significant housing needs, and planning for future growth in a way that will best meet the needs of all its current and future residents.

This Housing Needs Assessment was prepared for the Township of Woolwich by Tim Welch Consulting Inc. in the summer of 2024 and provides a comprehensive analysis of the current and future housing requirements of the Township. The detailed demographic data and housing metrics shared within are intended to guide public sector decision-making in land use planning, building, and administrative initiatives.

The objectives of the Housing Needs Assessment were to:

- Examine the needs across the entire housing continuum;
- Identify gaps in the provision of housing; and
- Suggest some municipal strategies to help meet current and future needs.

The findings within this Housing Needs Assessment are aimed at guiding future policy and development decisions to address the housing challenges in the Township of Woolwich. They have also informed several recommendations for action outlined in Section 6 of this same report that the Township may wish to consider as a means of addressing existing needs and gaps in housing stock across the housing continuum.

Overall, the report highlights the importance of collaboration between local governments, developers, service agencies, and residents to create a balanced and inclusive community with a complete housing continuum that meets the needs of current and future residents of the Township of Woolwich.

1. Background

This Township of Woolwich Housing Needs Assessment was prepared in the summer of 2024. It provides background housing and demographic data intended to inform public sector decision making around land use planning, building, and other administrative initiatives with the broader goal of enhancing the Township's housing stock over the coming years to ensure it meets the needs of current and future residents. It was compiled using 2021 Census data, CMHC rental market statistics, Building Department data, and figures from the 2024 Development Charges Background Study of the Township of Woolwich, completed by Watson & Associates Economics Ltd. Extensive community outreach was also undertaken as part of this report, the findings of which are summarized in **Appendix A “What We Heard” Community Engagement Report**.

The Township of Woolwich is a growing and prosperous area municipality within the Region of Waterloo. The primary settlement areas are the towns of Elmira, Breslau, and St. Jacobs, with smaller rural villages of Conestogo, Heidelberg, Maryhill, North Woolwich, Bloomingdale, Weissenburg, West Montrose, Floradale, Winterbourne, and Zuber Corners, situated throughout the Township. The Region of Waterloo, as the upper tier municipality, functions as the Service Manager for the Township of Woolwich, providing coordinated access to social housing, programs and services across the region.

The Township of Woolwich has experienced consistent growth over the past two decades, driven in large part by its immediate proximity to the cities of Kitchener and Waterloo. As of the 2021 Census, Woolwich had a population of 26,999 living in 9,359 of its 9,556 total private dwellings, a change of 8.0% from its 2016 population of 25,006. Despite its population growth and corresponding increases in housing stock, it is not exempt from the affordability challenges being experienced across the province. Residents are feeling the effects of the current housing pressures, especially those from more vulnerable populations. The rural nature of most of the Township also adds an additional challenge to facilitating access to housing options.

The Township of Woolwich was a recipient of 2023 Federal Housing Accelerator Fund dollars. The Housing Accelerator Fund (HAF) is a program under the National Housing Strategy which aims to support municipalities in removing barriers to housing development and support local initiatives to build more homes, faster. This Housing Needs Assessment, by identifying gaps in existing housing stock and highlighting emergent and future needs, endeavours to provide the data needed for well-informed land use planning, building, and other administrative initiatives that remove barriers to

development and ensure the appropriate forms of housing are constructed to meet local need. Section 6 of this same report outlines several actions that the Township may wish to consider undertaking to streamline new residential development and provide complementary community services, ensuring that the housing continuum serves the needs of Woolwich residents and that everyone is able to find a home to call their own.

1.1 Defining Affordable Housing

In undertaking this Housing Needs Assessment, the Township of Woolwich is assessing the entirety of its housing stock to determine existing gaps, not limited to affordable or attainable housing. That said, in today's market, it is helpful to consider definitions of affordability to provide clarity around the range of housing types that exist in any given community and what common definitions utilized throughout this report and in the field of housing in general really mean.

Definitions around affordability tend to fall into one of two categories: income-based or market-based. Income-based definitions of housing affordability look to household income; housing is considered affordable if it costs less than a certain percentage of annual household income. In Canada, this benchmark is typically 30% of a household's after-tax income. Market-based definitions define affordability in relation to average or median rents and sale prices in a market area. Housing at or below average or median market rents or sale prices is considered affordable. Income or market-based definitions of affordability are selected for different policies or programs depending on its objective, target audience, and the impact it is intended to have.

Not all affordable housing is social and/or subsidized. There is a need for housing that is within reach for persons working at modest wages. This may also be referred to as "workforce housing" or "attainable housing".

1.2 The Housing Continuum

The Housing Continuum (see Figure 1 below) is both a model that describes the range of housing options based on income and the form of housing, from homelessness to market housing, as well as a tool to evaluate the state of housing in a community. Individuals may move along the continuum at different points in their lives based on life circumstances. This is not necessarily a linear path. Ideally, every community will have housing options available at all points on the continuum to meet the varying needs of its current and future residents. In instances where current housing stock does not provide appropriate housing options, the housing continuum can be used to identify where the gaps in supply exist.

Things that may influence the ability of a municipality to provide housing along the continuum include population, demand, available funding, zoning, community support and neighbourhood opposition.

Figure 1: The Housing Continuum



Source: CMHC

1.3 The Wheelhouse Model

Developed by the City of Kelowna, the Wheelhouse model (Figure 2) is an alternative way of looking at housing options where housing needs are organized circularly. While the housing continuum suggests a linear progression towards market homeownership, the Wheelhouse recognizes that housing needs can move in any direction depending on one's life circumstances. It also recognizes that ownership may not be an end goal nor achievable for certain individuals or households, and the importance of a variety of housing options for a diverse and inclusive housing system.

Figure 2: The Wheelhouse Model



Source: City of Kelowna

Affordability of housing should not come as a sacrifice to two other important functions of housing: 1) Appropriateness and 2) Safety. Appropriateness of housing is determined by having enough bedrooms for everyone residing in a home per the National Occupancy Standard¹. Safe housing is housing that does not require major renovations or repairs and meets local, provincial, and federal building and public health codes. In the demographic analysis that follows for the Township of Woolwich, affordability data has been compiled primarily by economic family structure. In statistics, a household and an economic family are distinct concepts that are used to measure and analyze different aspects of a population's structure and economic well-being.

A household refers to a group of people who live together in the same dwelling and share common living arrangements. A household can consist of one person living alone, a family group, or unrelated individuals living together. It is a broader concept that encompasses both family and non-family living arrangements. In household statistics, individuals are grouped based on their residence and living arrangements.

In contrast, an economic family, also known as a family unit, is a more specific concept that focuses on the economic interdependence of individuals living together. An economic family consists of a group of two or more individuals who live in the same household and are related to each other by blood, marriage, common-law partnership, or adoption. It includes both nuclear families (parents and their children) and extended or multi-generational families (including grandparents, aunts, uncles, etc.).

The main difference between a household and an economic family is that a household represents a broader group of people living together, regardless of their relationship or economic interdependence, while an economic family specifically focuses on related individuals living together and sharing economic resources.

¹ The National Occupancy Standard was created in the mid-1980s by the federal, provincial, and territorial governments. It provides a common reference point for “suitable” housing, meaning how many people a given dwelling unit might accommodate given the number of bedrooms. The National Occupancy Standard is **not** a rule, regulation, or guideline for determining if a given dwelling unit can be rented to or occupied by a given household but rather, is used to determine housing needs and conditions at the community, regional and national levels. CMHC, “National Occupancy Standard.” *CMHC SCHL*, 19 July 2022.

2. Demographic Analysis

2.1 Population

The Township of Woolwich has seen an 8.0% increase in population over the last five-year census period. The population in 2016 was 25,006 and by 2021 it had reached 26,999. The Township of Woolwich is growing at a noticeably higher rate than the province (5.8%), but not as high as Waterloo Region as a whole (9.7%) over the last five-year census period. The population increase in Woolwich between 2011 and 2016 was also 8.0%, showing a steady rate of growth in the municipality, which will have implications for the Township's current and future housing needs.

Table 1: Reported Census Population 2016 – 2021

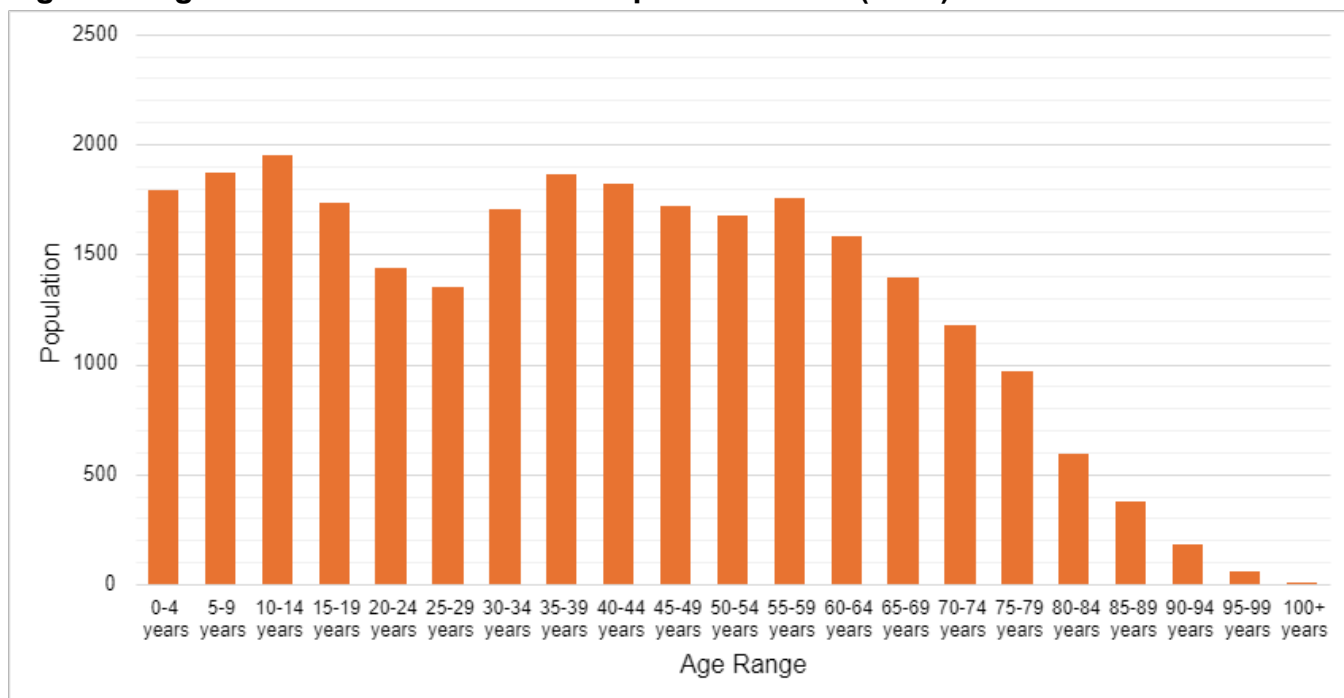
Reporting Year	2011	2016	2021
Population	23,145	25,006	26,999
Percent change over past 5 years	n/a	8.0%	8.0%

Source: Statistics Canada 2021 Census

The Township of Woolwich has a slightly younger age profile when compared to the provincial average, with 17.6% of the population over the age of 65, compared to 18.5% for all of Ontario. Woolwich's median age is 40, which is also lower than the provincial median average of 42 years of age.

As of the 2021 Census, as illustrated in Figure 3, over 23% of the population of the Township of Woolwich is aged 60 or above. This fast-growing demographic group points to a need for seniors housing with accessible design considerations as this population continues to age. This mirrors a need throughout much of the province of Ontario. However, what is unique for the Township of Woolwich, is that it also has a high population of children with 27.2% of people under the age of 20. The high number of children reflects the larger number of families in the community, as well as larger family sizes. This unique demographic makeup affects Woolwich's housing needs, specifically unit sizes and types of dwellings.

Figure 3: Age Distribution in the Township of Woolwich (2021)



Source: Statistics Canada 2021 Census

Per the 2024 Development Charges Background Study of the Township of Woolwich, conducted by Watson & Associates Economics Ltd., the population of the Township of Woolwich is expected to grow to 28,500 residents by mid 2024 and 36,433 residents by the year 2034. Employment growth is expected to remain steady in the Township of Woolwich through to 2034. It is anticipated that the largest growth will be seen in industrial employment, followed by commercial/population related employment.

2.2 Indigenous Population

The Township of Woolwich has a lower percentage of residents who identify as Indigenous (1.0%), compared to the percentage of the population that identify as Indigenous in Ontario as a whole (2.9%). Table 2 has a more detailed breakdown of the Indigenous population in the Township of Woolwich and Ontario.

Table 2: Indigenous Population (2021)

	Population with Indigenous Identity	Percentage of Population
Woolwich	265	1.0%
Ontario	406,585	2.9%

Source: Statistics Canada 2021 Census

2.3 Mennonite Population

The Township of Woolwich is distinguished from many other communities in Ontario through having a large Mennonite community. According to 2021 Census data, 6.4% of the population of Woolwich reported a Mennonite ethnic or cultural origin and 1.0% Pennsylvania Dutch, compared to only 0.3% and 0.1% in Ontario. The large Mennonite population has impacts on Woolwich's housing needs and is reflected in several demographics included in this assessment. Table 3 below gives a more detailed breakdown of the Mennonite population in Woolwich.

Table 3: Mennonite Population (2021)

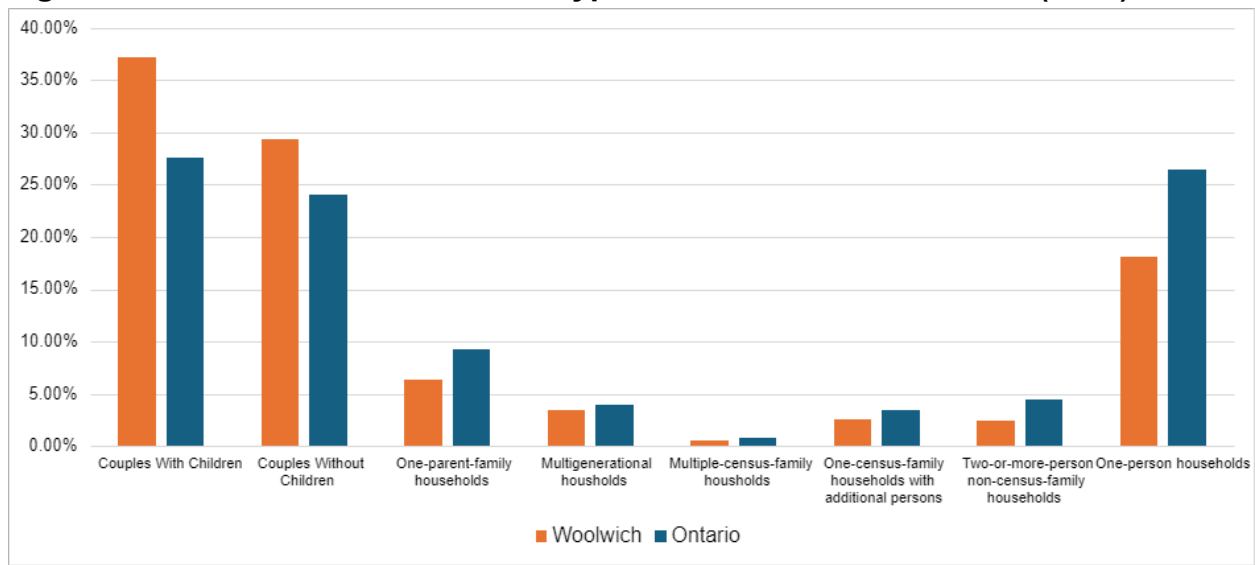
	Population with Mennonite Cultural or Ethnic Background	Percentage of Population	Population with Pennsylvania Dutch Cultural or Ethnic Background	Percentage of Population
Woolwich	1,690	6.4%	265	1.0%
Ontario	38,095	0.3%	12,085	0.1%

Source: Statistics Canada 2021 Census

2.4 Households

Woolwich was home to 9,355 households as of the 2021 Census. Households in Woolwich are primarily made up of couples with children (37.2%), couples without children (29.4%), one-person households (18.1%), and single parents with children (6.3%). Other non-family households and multiple-family households make up the remaining 9%. Compared to Ontario, there are significantly more couple-family households, both with and without children, and significantly fewer one-person households. This household mix suggests a need for both larger single and semis, townhomes, condominiums, and rental apartments units to accommodate the high number of couples with children, as well as more moderate sized homes and apartments, to accommodate two and one-person households. See Figure 4 below.

Figure 4: Distribution of Household Types in Woolwich and Ontario (2021)

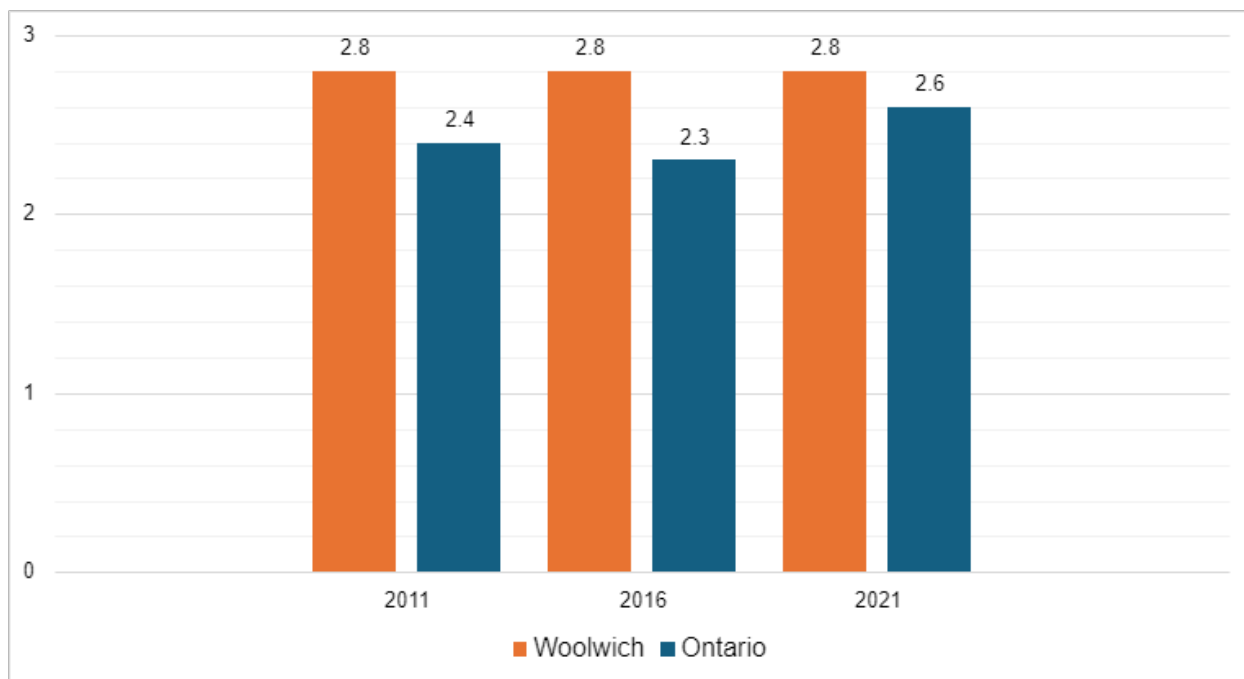


Source: Statistics Canada 2021 Census

Figure 5 below illustrates the average household occupancy in the Township of Woolwich in comparison to the provincial average over the 2011 to 2021 period. This is expressed as the average number of persons per dwelling unit (P.P.U.)^[2]. As shown, the P.P.U. has remained steady in Woolwich at 2.8. Woolwich’s current (2021) P.P.U. of 2.8 is higher than the provincial average of 2.6, but not by as significant a gap as the two previous census years.

^{2]} Average number of persons per unit (P.P.U.) defined as the total population divided by the number of occupied dwelling units.

Figure 5: Township of Woolwich and Ontario – Average Household Occupancy (2011 to 2021)



Source: 2011-2021 Statistics Canada Census data.

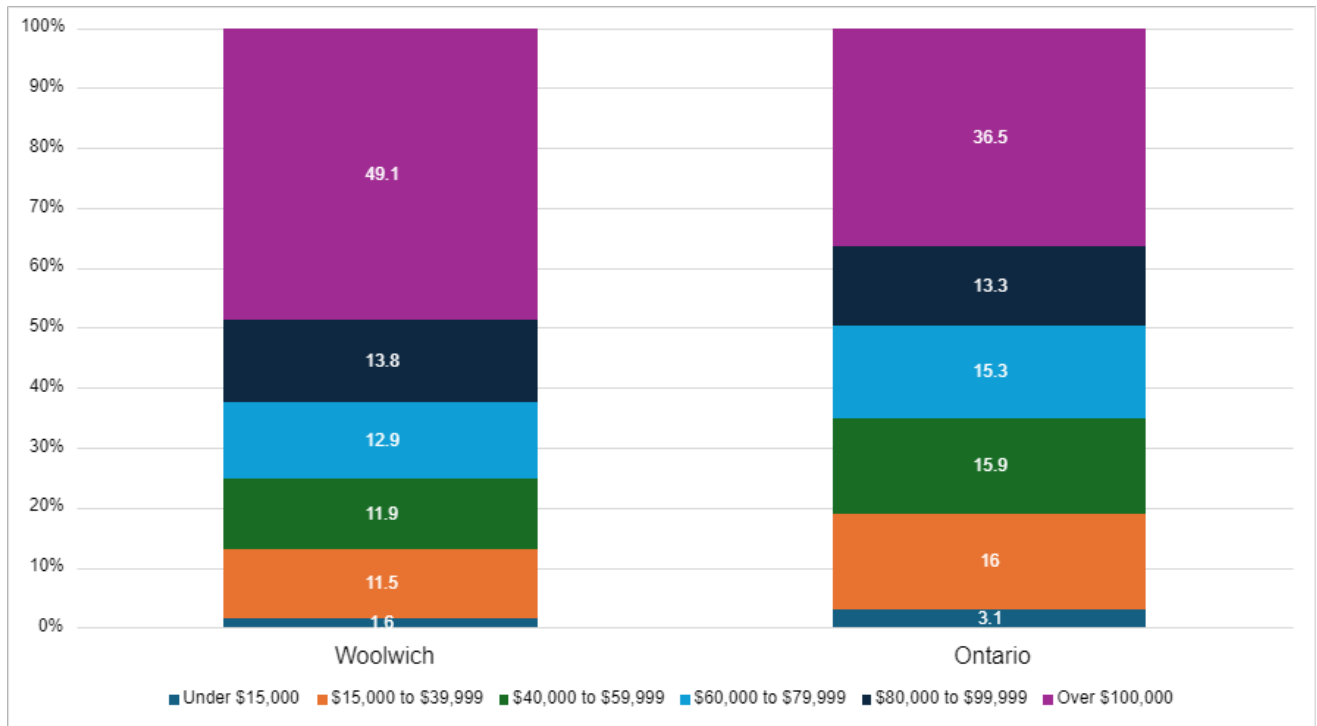
2.5 Income

Woolwich has a noticeably higher share of high-income households as compared to the province of Ontario as a whole, with 49.1% of households earning \$100,000 or more per year after tax (36.5% in Ontario), and only 13.1% of households earning less than \$40,000 per year after tax (19.1% in Ontario). Average and median household incomes are also noticeably higher in Woolwich (median 2020 after-tax household income of \$99,000) compared to the province (median 2020 after-tax household income of \$79,500). Income as reported in census data is inclusive of government supports.

Household income in the area has implications for the cost of housing that will be considered affordable when using an income-based definition of affordability.

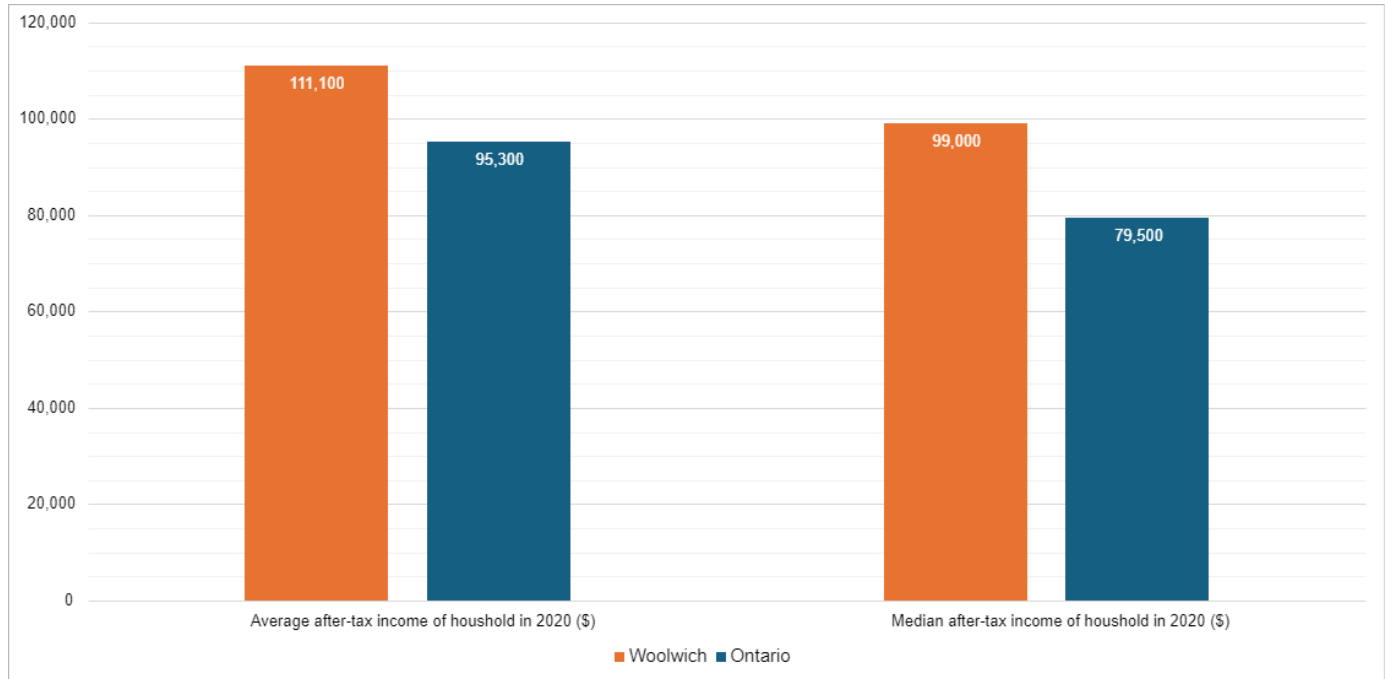
It is important to note that despite the higher incomes in the Township of Woolwich nearly 38% of households earn less than \$80,000 a year after tax. The high average incomes in the Township are reflected in housing prices and the forms of housing that have been constructed in abundance over the past several decades, outlined in Section 3.1 below. This has the potential of pricing out those with lower incomes out of the market entirely and rendering them unable to find suitable housing in the Township.

Figure 6: Household Income Distribution (After Tax) (2020)



Source: Statistics Canada 2021 Census

Figure 7: Average and Median Household Incomes (After Tax) (2020)



Source: Statistics Canada 2021 Census

3. Housing Metrics

3.1 Current and Projected Housing Stock

As of the 2021 Census, the Township of Woolwich had a total of 9,360 private dwellings. Most of the private dwellings (75.8%) are single-detached houses.

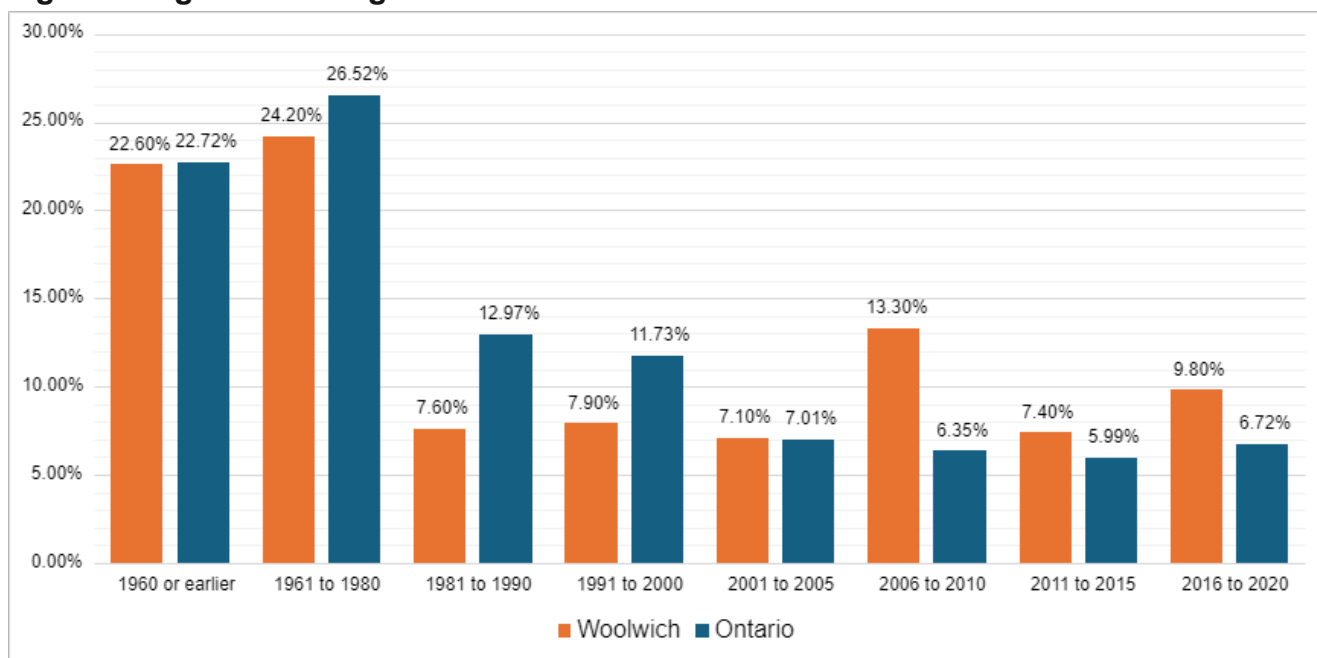
Table 4. Township of Woolwich Private Dwellings

Dwelling Type	Number of Dwellings	Percentage of Total Dwellings
Single-detached house	7,095	75.8%
Semi-detached house	765	8.2%
Row house	535	5.7%
Apartment or flat in a duplex	130	1.4%
Apartment building	730	7.8%
Other single-attached houses	15	0.2%
Movable dwelling	90	1%
Total	9,360	100%

Source: Statistics Canada, 2021 Census of Population.

Of the 9,360 private dwellings in Woolwich, as of 2021, 23% were estimated to be 60 years or older, with 47% estimated to be 40 years or older. These percentages are comparable to figures for the province as a whole. Between 1981 and 2000 Woolwich was constructing less dwellings proportionately to the province, however starting from 2001, Woolwich has built new dwellings at a higher rate than the province up to the year 2020. Woolwich has built 3,520 new residential dwellings in the past 20 years, over 37% of its total dwellings. This is consistent with the steady population growth that the Township has been experiencing in recent decades.

Figure 8: Age of Housing Stock in Woolwich and Ontario



Source: Statistics Canada, 2021 Census of Population

Per the 2024 Development Charges Background Study of the Township of Woolwich, conducted by Watson & Associates Economics Ltd., the housing stock within the Township of Woolwich is expected to grow to 9,940 units by mid 2024, and 12,990 units by 2034.

Single and semi-detached homes are expected to remain the most common dwelling type in Woolwich through to 2034, with an increase of 1,907 homes or 24% from 2021. However, both multiple dwellings (including townhouses, stacked towns, row housing and fourplexes) and apartments are expected to see significant increases by the year 2034. Multiple dwellings are projected to increase by 798 units or 120% between 2021 and 2034, and apartments are projected to increase by 925 units or 127% (see Table 5 below).

This indicates a demand for increased diversity of built form, including but not limited to more relatively affordable row housing, and medium to higher density apartments targeting older adults ready to downsize, working professionals, low-income groups and those requiring a range of housing supports. This forecast aligns with the expressed needs heard amongst community members for more diverse housing options that are accessible and affordable.

Local builders did note that row housing and stacked towns are currently selling better than semi-detached houses. Semi-detached houses and smaller detached houses with modest finishes are sitting on the market longer by comparison as they are priced too high for many first-time home buyers looking to enter the market, as well as those looking to downsize. Buyers purchasing detached houses are typically upgrading and looking for something larger and with more features.

Table 5: Forecast of Residential Dwelling Units by Housing Type

Township of Woolwich	Single and Semis	Multiple Dwellings	Apartments	Other	Total
2011	6,723	417	664	109	7,913
2016	7,355	520	700	35	8,610
2021	7,860	665	730	105	9,360
2024	8,242	731	862	105	9,940
2034	9,767	1,463	1,655	105	12,990

Source: 2024 Development Charges Background Study of the Township of Woolwich, Watson & Associates Economics Ltd.

Local developers have largely focused on single detached homes with some medium density townhomes, for which there has been ample consumer demand. However, it is apparent in discussions with them that due to the pressures of the market and increased interest rates, there has been a shift in market demand towards more compact housing models, such as townhomes, rowhouses, and stacked townhomes. Developers are beginning to plan accordingly for future developments. It was also noted by private sector builders in one-on-one interviews and focus group discussions that despite an acute need for more modestly priced units, they often struggle to meet this need due to current land costs and construction costs.

3.2 Housing Market Indicators

As of the 2021 Census, the Township of Woolwich had a total of 9,360 private dwellings. Of the 9,360 dwellings, 46% of them are 3-bedroom units, making them the most common dwelling type. Table 6 below looks at the different dwelling types in Woolwich based on bedroom count as of 2021.

Table 6: Township of Woolwich Dwellings by Number of Bedrooms 2021

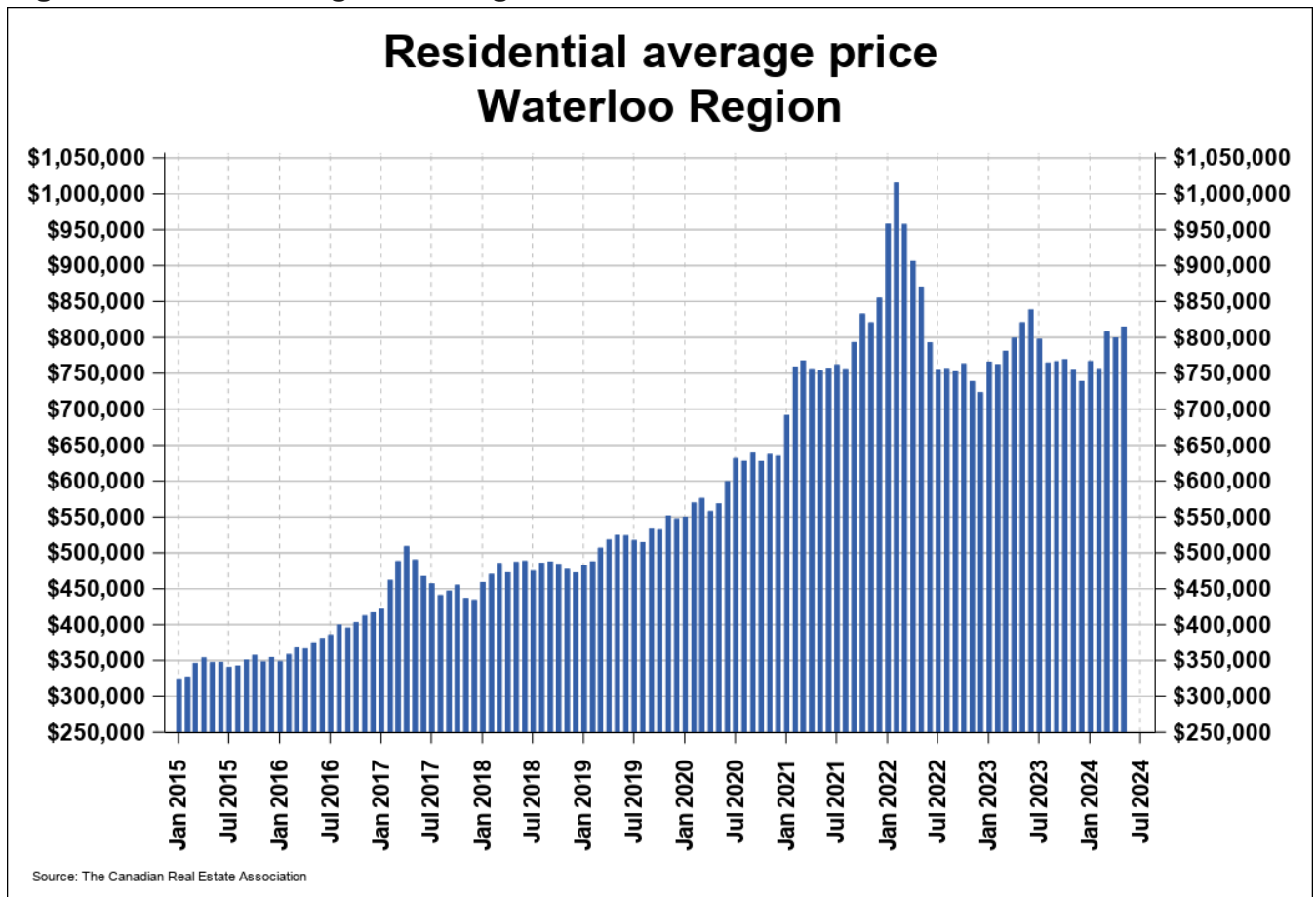
	1-Bdrm	2-Bdrm	3-Bdrm	4-Bdrm+	Total
Number of Units	600	1,220	4,305	3,220	9,360
Percentage Share	6.4%	13.0%	46.0%	34.4%	100%

Source: Statistics Canada, 2021 Census of Population

Despite one person households making up 18% of all households in the Township of Woolwich and couples without children making up 29% of all households, the table above shows that there is a lack of one-bedroom dwellings (6.4% of the share of private dwellings) as well as a lack of two-bedroom dwellings (13.0% of the share of private dwellings). This suggests that many one-person households and couples without children are over housed, that is, are living in larger or perhaps more expensive dwellings than they require, as a matter of personal preference or a lack of available alternatives.

Through key informant interviews and survey responses, it was clear that some empty nesters and seniors are staying in their existing homes due to the costs associated with downsizing; many are “over-housed”, living in larger houses than they require or desire due to a lack of available alternatives within their chosen community. There is an acute need for more affordable and attainable ground level homes, rowhouses, small condominiums and purpose-built rentals with accessibility features and elevators for older adults looking to downsize. This would, in turn, bring more resale homes to the market and keep the housing continuum moving.

Figure 9: Waterloo Region Average House Prices



The Township of Woolwich does not have their own real estate board but is included in the Waterloo Region Real Estate Board. As shown in Figure 9, average house prices rose dramatically starting in July 2020, peaking near January of 2022, dropping by July of 2022, and then have remained fairly constant, although significantly above pre-pandemic levels, since that time. An average price in January 2020 of around \$450,000 would be listed for \$800,000 in July 2024.

Figure 10: Waterloo Region Residential Sales Activity

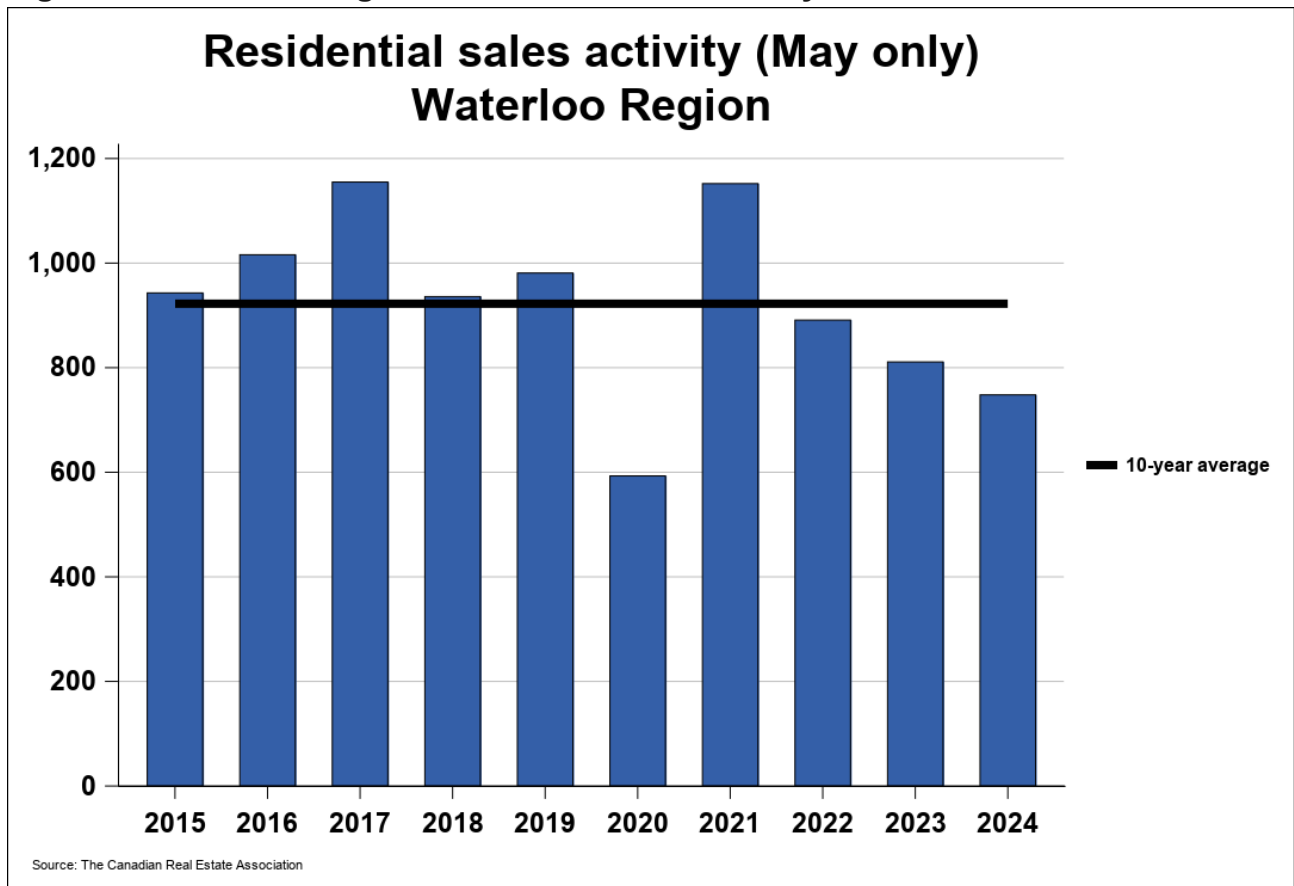
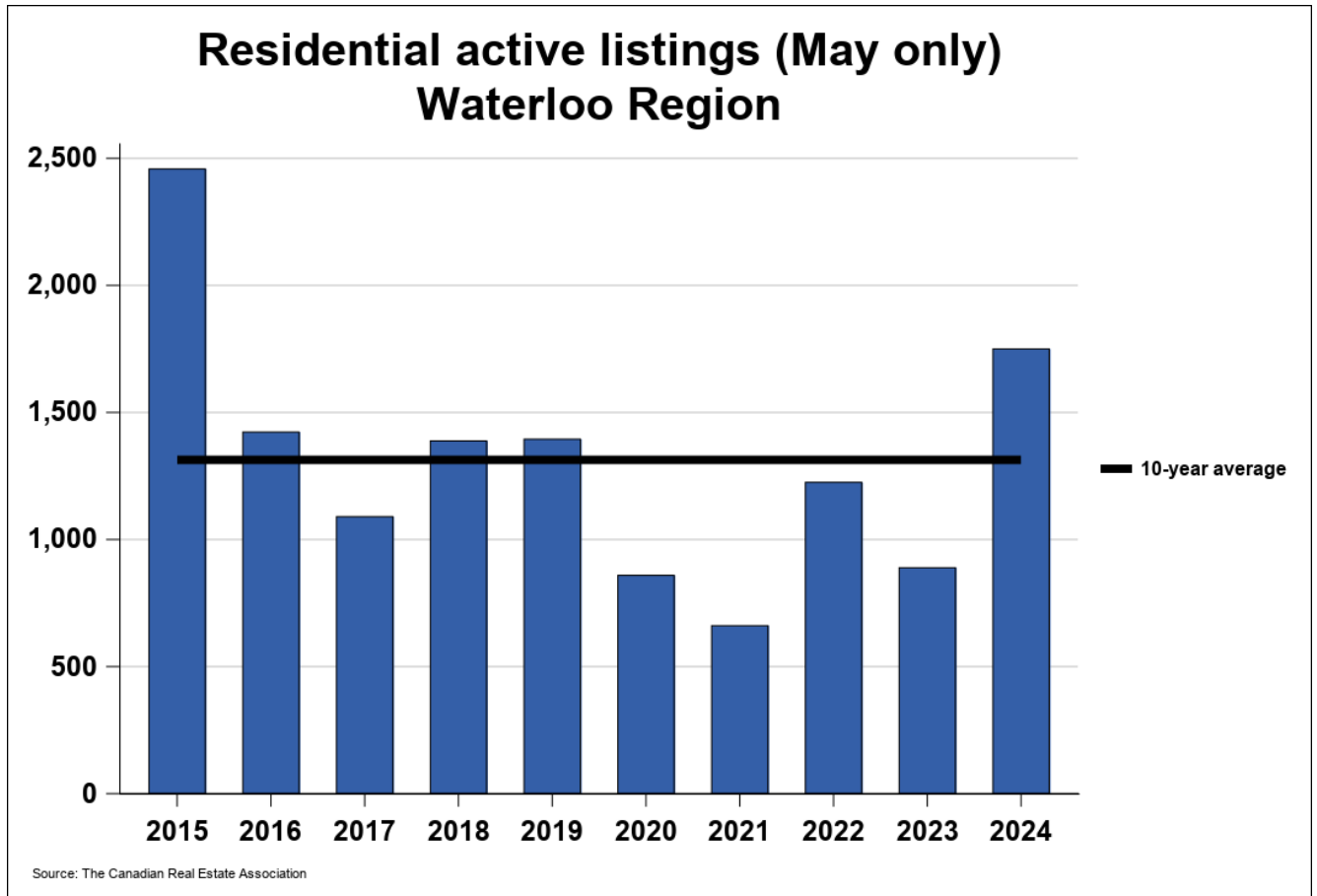


Figure 10 shows the number of residential property sales over the past 10 years in Waterloo Region. The number of houses purchased each year has declined each year since 2021, with sales being noticeably below the 10-year average in May of 2024. In contrast to this, Figure 11 shows the number of active listings in Waterloo Region. There were more active listings in May of 2024 than any of the previous 5 years, with a figure well over the 10-year average. This suggests that the decline in house sales is not due to lack of availability. Instead, housing cost and affordability, or housing type and suitability is more likely the reason for the decrease in people purchasing housing. It is important to note that these are trends for the entire Region of Waterloo, and the trends in Woolwich may or may not be as pronounced.

Figure 11: Waterloo Region Residential Active Listings



Single detached homes are the most popular unit type being bought and sold in the Region of Waterloo. They are also the most expensive property type. Table 7 gives a further breakdown of both number of sales, and average sale prices for different property types using data from the Waterloo Region Association of Realtors.

Table 7: Region of Waterloo Sales and Average Sale Price by Property Type, June 2024

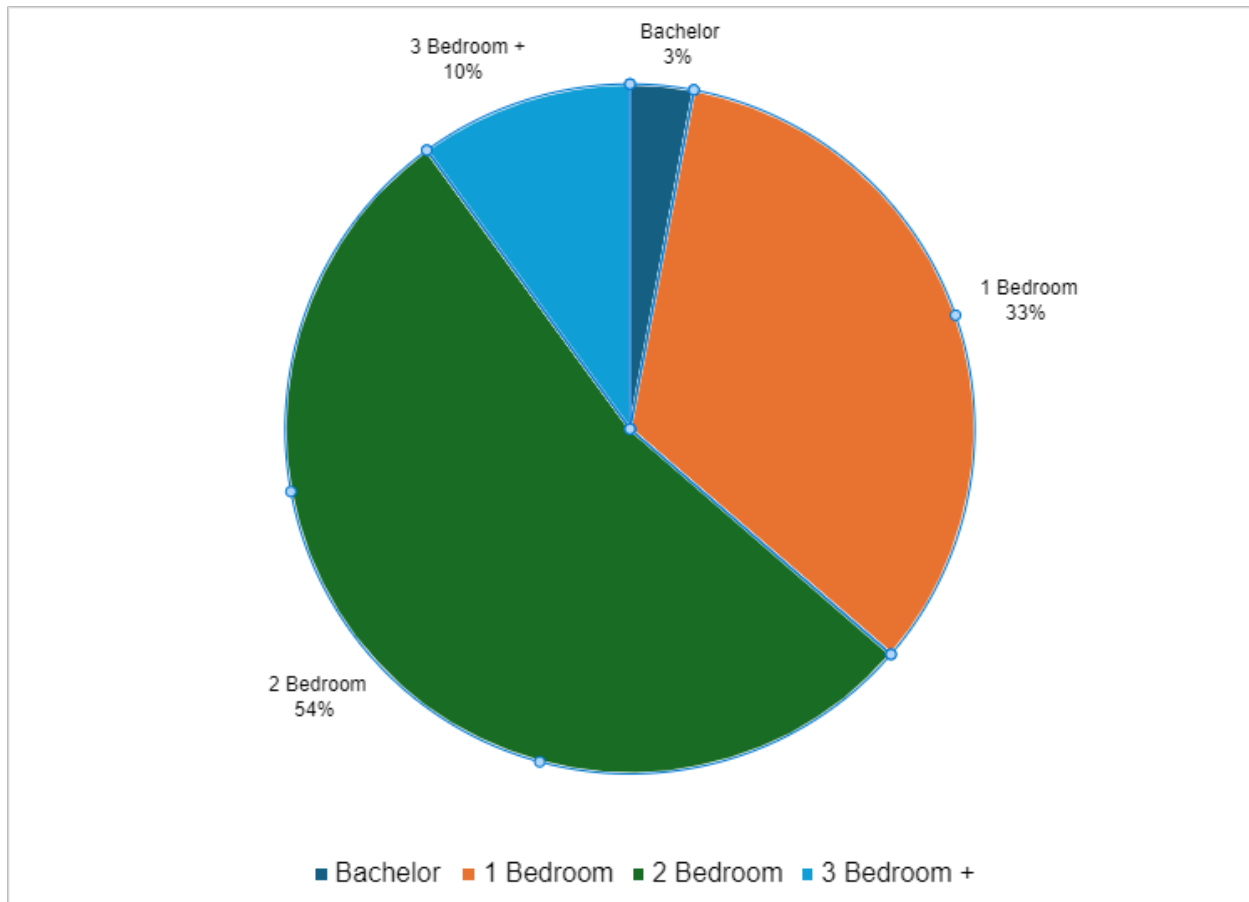
	Single Detached Family Home	Townhouse	Condo	Semi-detached House
Sales	421	137	66	47
Average Sale Price	\$900,373	\$664,273	\$462,145	\$649,353

Source: Waterloo Region Association of Realtors

3.3 Rental: Units

The Township of Woolwich and Township of North Dumfries had a total of 977 purpose-built, private apartment units, the majority of which are 2-bedroom, according to CMHC Primary Rental Market Statistics Report as of October 2023, see Figure 12.

Figure 12: Woolwich and North Dumfries Purpose-Built Rental Apartments by Unit Size, 2023



Source: CMHC Primary Rental Market Statistics

3.4 Housing Tenure

Housing tenure falls under two categories – owner-occupied and tenant occupied. In the Township of Woolwich in 2021, 84% of housing units were owner occupied and 16% were tenant occupied. Woolwich has a significantly lower share of renter households than the provincial average of 31%. This share of housing tenure isn't uncommon for smaller communities such as Woolwich.

This lower percentage of renter households could be a result of several factors, some of which are covered in this report, such as higher household incomes, and a lack of available rental units. As of the date of data collection for the 2021 Census, there were a collective 998 purpose-built rental units in the Township of Woolwich and Township of North Dumfries (reported together by CMHC). The 1,505 renter households in Woolwich by itself, identified through Census data, suggests that many renter households live in secondary rental units (e.g., rented ownership households, duplex apartments, accessory apartments, or non-registered rental spaces). Since 2021, the number of purpose-built rental units has increased to 1,015 in 2022, but then fell to 977 in 2023, according to CMHC’s primary rental market statistics report.

Table 8: Housing Tenure (2021)

	Woolwich		Ontario	
	Number of Households	Percentage of Total Households	Number of Households	Percentage of Total Households
Ownership	7,855	83.9%	3,755,720	68.4%
Rental	1,505	16.1%	1,724,970	31.4%
Total	9,360		5,491,200	

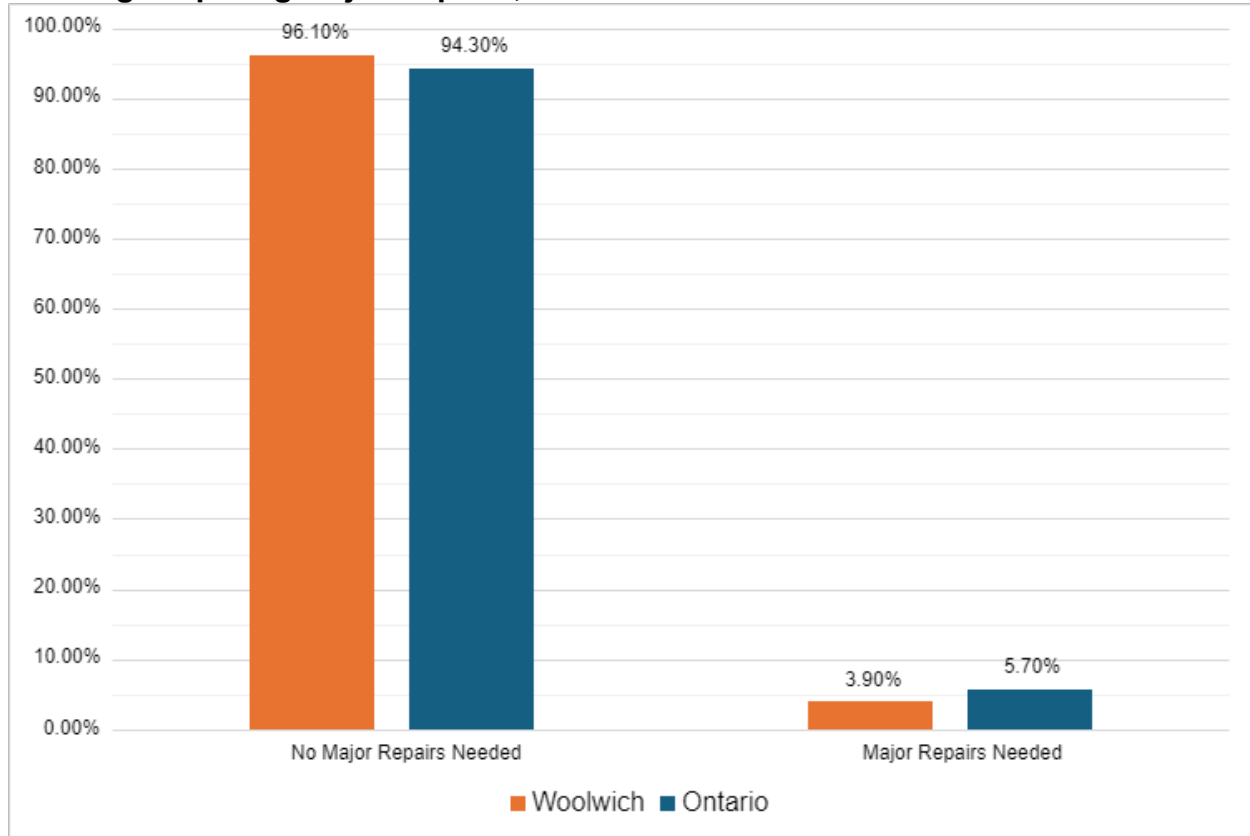
Source: Statistics Canada 2021 Census

The addition of Accessory Residential Units throughout the Township could comprise a significant percentage of the purpose-built rentals permitted in the coming years due to province-wide legislative changes allowing for additional units on residential lots connected to municipal services.

The disparity between renter households and purpose-built rental units indicates the importance of the Township of Woolwich encouraging the development of rental units. Feedback garnered through community consultation throughout summer 2024 highlighted widespread concern around the lack of affordable rental units and rental protection policies to protect existing rental stock. Limited affordable and accessible options for seniors looking to downsize and remain in their community as they age was a significant concern, as was the lack of larger rental units (3-bedroom+) for families, including newcomers to Canada and larger Mennonite families.

Figure 13 below illustrates the condition of dwelling units in Woolwich. Of the total housing units in Woolwich, 3.9% need major repairs. Figure 13 shows that the share of housing units requiring major repairs in the Township of Woolwich is smaller than the share of dwellings needing major repairs in Ontario (5.7%), this may be related to the age of housing stock in Woolwich as discussed above.

Figure 13: Township of Woolwich and Province of Ontario Percentage Share of Housing Requiring Major Repairs, 2021

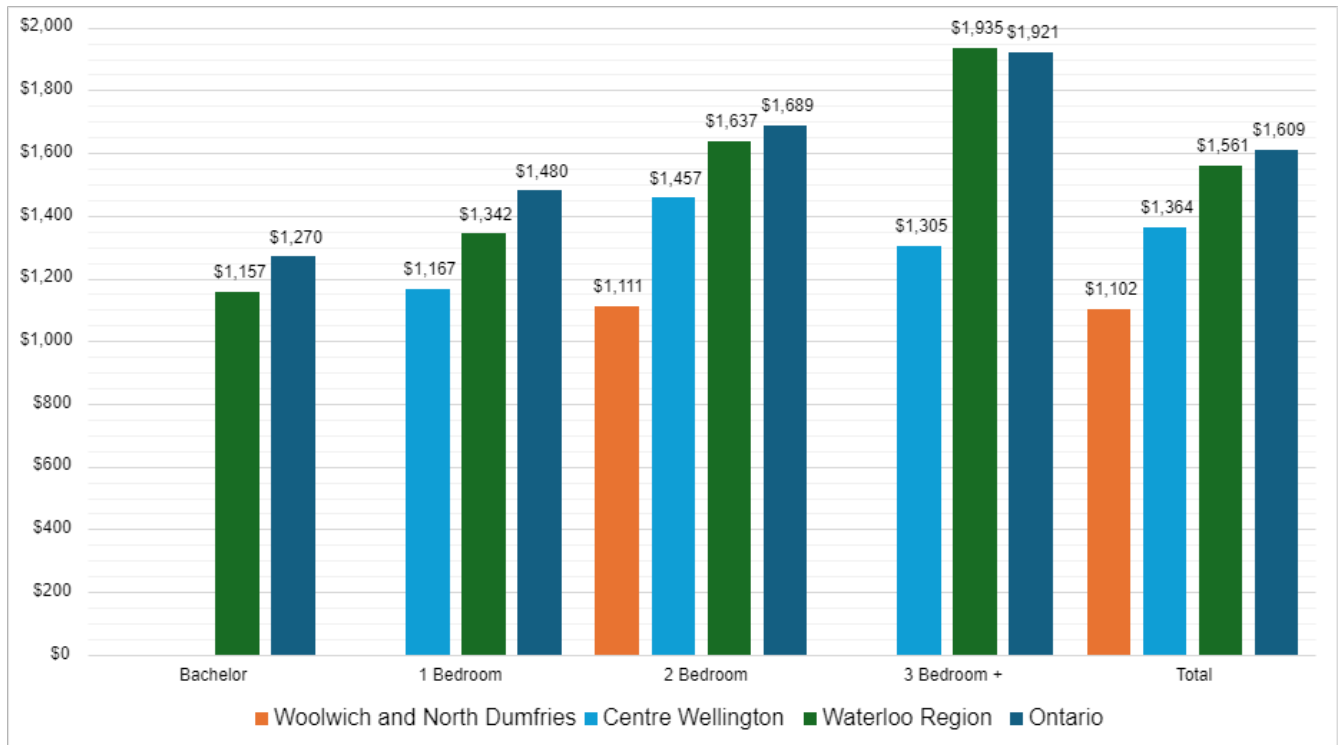


Source: Statistics Canada, 2021 Census of Population

3.5 Average Rental Prices

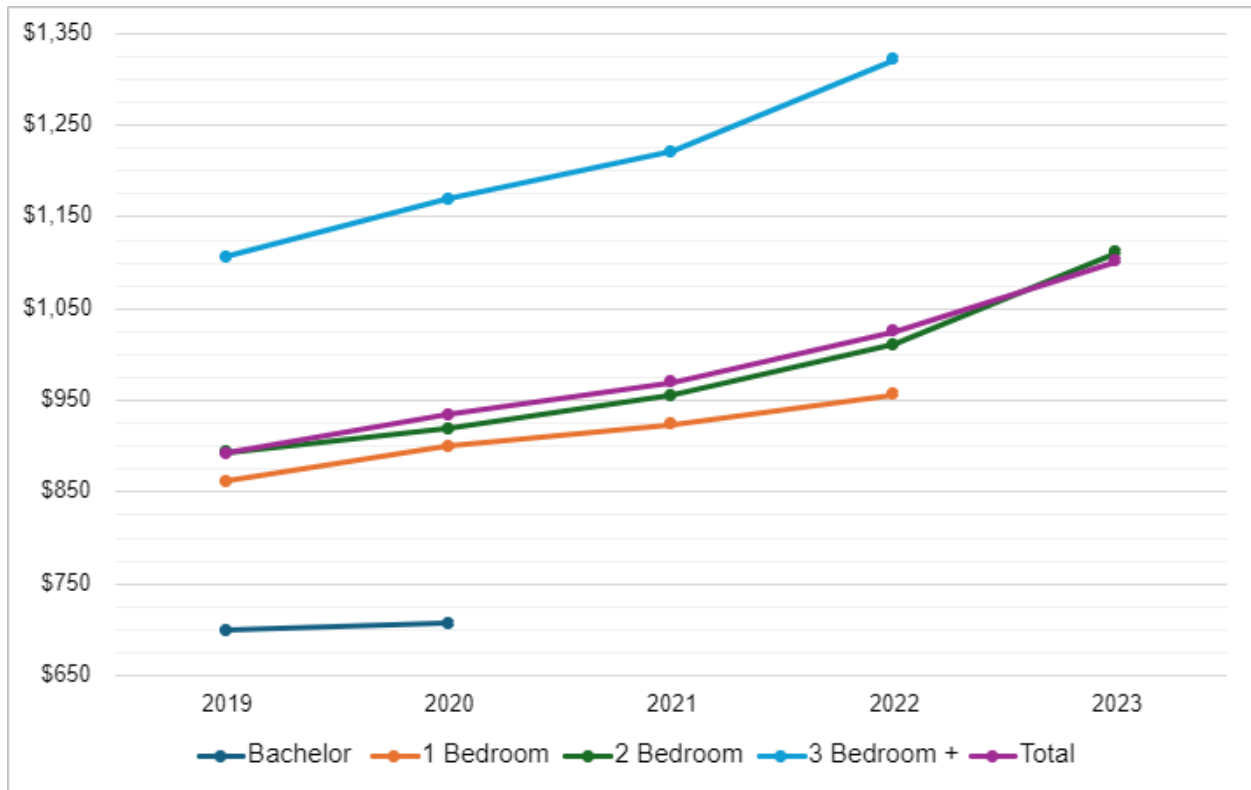
As of October 2023, CMHC reported the average price of a two-bedroom unit in Woolwich to be \$1,111 per month. There is a lack of data for other unit types in 2023, aside from the total across all unit types of \$1,102, however CMHC warns to use this figure with caution. We can use 2022, average rental prices to get a better sense of the other unit types, 1-bedrooms were, on average, \$956, and 3-bedroom+ units were \$1,321, on average. Figure 14 compares 2023 average rental prices in Woolwich with Centre Wellington Township (a slightly larger nearby municipality), the Region of Waterloo CMA, as well as Ontario's average rents, giving us a fuller picture of the rental market in Woolwich. Figures 15 and 16 show change in average rental prices, for both Woolwich and Ontario, over time across different unit types.

Figure 14: Woolwich and North Dumfries, Centre Wellington Township, Region of Waterloo CMA, and Ontario Average Rental Prices by Unit Type, October 2023



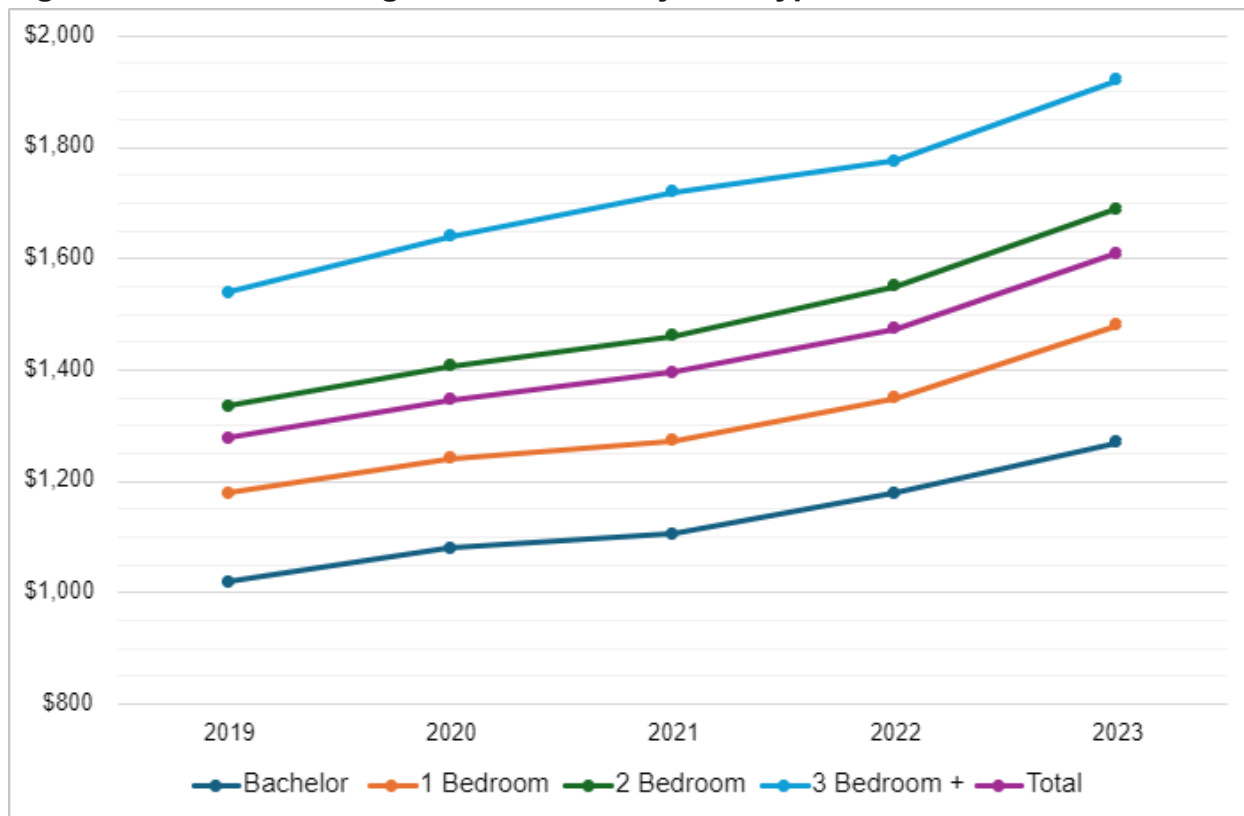
Source: CMHC Primary Rental Market Statistics

Figure 15: Woolwich and North Dumfries Average Rental Prices by Unit Type, 2019-2023



Source: CMHC Primary Rental Market Statistics

Figure 16: Ontario Average Rental Prices by Unit Type, 2019-2023



Source: CMHC Primary Rental Market Statistics

There are several things to take away from this data. First, based on CMHC Primary Rental Market Statistics Report figures, Woolwich’s average rents are noticeably lower than the provincial averages, the average rents of Waterloo Region, and the average rents of a similar sized nearby municipality. Another trend, both in the Township of Woolwich and the province, is the rate of increase in rents accelerating after 2021.

It should also be noted that CMHC reports average rents, which include all occupied rental units. These prices are not in line with market rental rates for those currently looking for vacant rental units. Based on the analysis completed by the project team, and outlined in Table 9 below, the average price for rental units currently advertised for rent is much higher – with the average 1-bedroom unit renting at around \$1,600, the average 2-bedroom renting for approximately \$2,011, and the average 3-bedroom+ unit around \$3,280. Table 9 shows a more detailed breakdown of current rents in Woolwich from searching various market rental websites.

Table 9: Current Market Rents in the Township of Woolwich, June 2024

Unit Type	Cost	Sq. Footage	Building Type	Year Built
1-Bedroom	\$1,600	1,400	Basement apartment in house	2023
2-Bedroom	\$2,400	unknown	Loft apartment above retail	2023
2-Bedroom	\$1,650	600	Basement apartment in house	2020
2-Bedroom	\$1,800	750	Basement apartment in house	2020
2-Bedroom	\$2,195	950	Unit in apartment building	2020
2.5-Bedroom	\$2,500	1,200	Unit in triplex	Unknown/1920s
3-Bedroom	\$3,475	1,900	Single detached house	2021
3-Bedroom	\$2,850	1,523	Townhouse	2020
3-Bedroom	\$2,995	1,650	Single detached house	2015
4-Bedroom	\$3,800	unknown	Single detached house	2015

Source: Compiled from listings on Facebook Marketplace, Kijiji, Rentals.ca, and Realtor.ca

One factor that has had a significant impact on current rental rates is the changes made to the Residential Tenancies Act, 2006, introduced through Bill 57, wherein residential rental units built after 2018 are exempt from rent control. This means landlords of newer units can raise rents without adhering to the annual rent increase guideline set by the provincial government, provided they supply the tenant with at least 90 days' written notice before increasing the rent and only do so once every twelve months. As can be seen from the table above, a lot of the current units available for rent in June of 2024 were built after 2018.

It is also worth noting that when there is turnover in rental units, there is no provincial regulation of rents that can be charged to the new tenant. This policy of "vacancy de-control" has been in effect in Ontario since 1998 and during times of tight rental markets. The policy tends to push up rents higher than provincial rent guidelines when a new tenant moves into an existing rental unit.

A lack of affordable rental stock and competition for units is placing increased pressure on the community. Comments received through community consultation noted the importance of protecting older properties with rental units. It was suggested that Township staff look at what Toronto and other jurisdictions are already doing and speak with the Region of Waterloo around best practices that could be replicable in the

Township to protect existing rental stock while simultaneously encouraging new rental construction.

3.6 Rental Vacancy Rates

A vacancy rate of 3% is generally considered to be an acceptable balance between supply and demand for rental housing. Vacancy rates below this can drive up rents as tenants compete for fewer units.

There is limited data on current and past vacancy rates in the Township of Woolwich, and some of the data that is available is to be used with caution (as recommended by CMHC). CMHC's primary rental market statistics recorded a vacancy rate of 0.7% across all unit types in 2023. Although this was the only vacancy rate recorded in 2023, Table 10 looks at the vacancy rates in the Townships of Woolwich and North Dumfries over the past five years. Table 11 shows Ontario's vacancy rates over the past five years. This gives us an overall picture of vacancy rates and trends in Woolwich, and how they compare to the province.

Table 10: Woolwich and North Dumfries Private Apartment Vacancy Rates

	Oct-19	Oct-20	Oct-21	Oct-22	Oct-23
Bachelor	0.0	0.0	**	**	**
1 Bedroom	1.4	1.2	0.3	0.5	**
2 Bedroom	**	1.2	3.3	0.7	**
3 Bedroom +	0.0	0.0	1.2	0.0	**
Total	1.3	1.0	1.9	0.5	0.7

Source: CMHC Primary Rental Market Statistics

Table 11: Ontario Private Apartment Vacancy Rates

	Oct-19	Oct-20	Oct-21	Oct-22	Oct-23
Bachelor	2.7	5.0	6.2	2.6	1.8
1 Bedroom	2.1	3.6	4.2	1.9	1.9
2 Bedroom	1.9	2.7	2.6	1.6	1.7
3 Bedroom +	1.5	2.9	2.4	1.5	1.4
Total	2.0	3.2	3.5	1.8	1.7

Source: CMHC Primary Rental Market Statistics

From this data we can see that Woolwich has consistently had vacancy rates lower than the province, and well below the balanced rate of 3%, even when the province's vacancy rates went above 3% during the pandemic. The province initially saw large increases to vacancy rates during the pandemic, but they have dropped down considerably in the past two years. Although vacancy rates did not increase very much during the pandemic, Woolwich saw a similar drop in vacancy rates in 2022 and has

been at a rate below 1% for the past 2 years. Very low vacancy rates like this can have an impact on rent increases, reflecting an increased demand and lack of supply.

The Township of Woolwich will need to increase the number of rental units available substantially if they want their vacancy rate to increase to a balanced level.

4. Affordability Indicators

4.1 Core Housing Need

Core Housing Need is defined as households living in an unsuitable, inadequate, or unaffordable dwelling that cannot afford alternative housing in their community. It refers to whether a private household's housing falls below at least one of the indicator thresholds for housing adequacy, affordability, or suitability, and would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable.

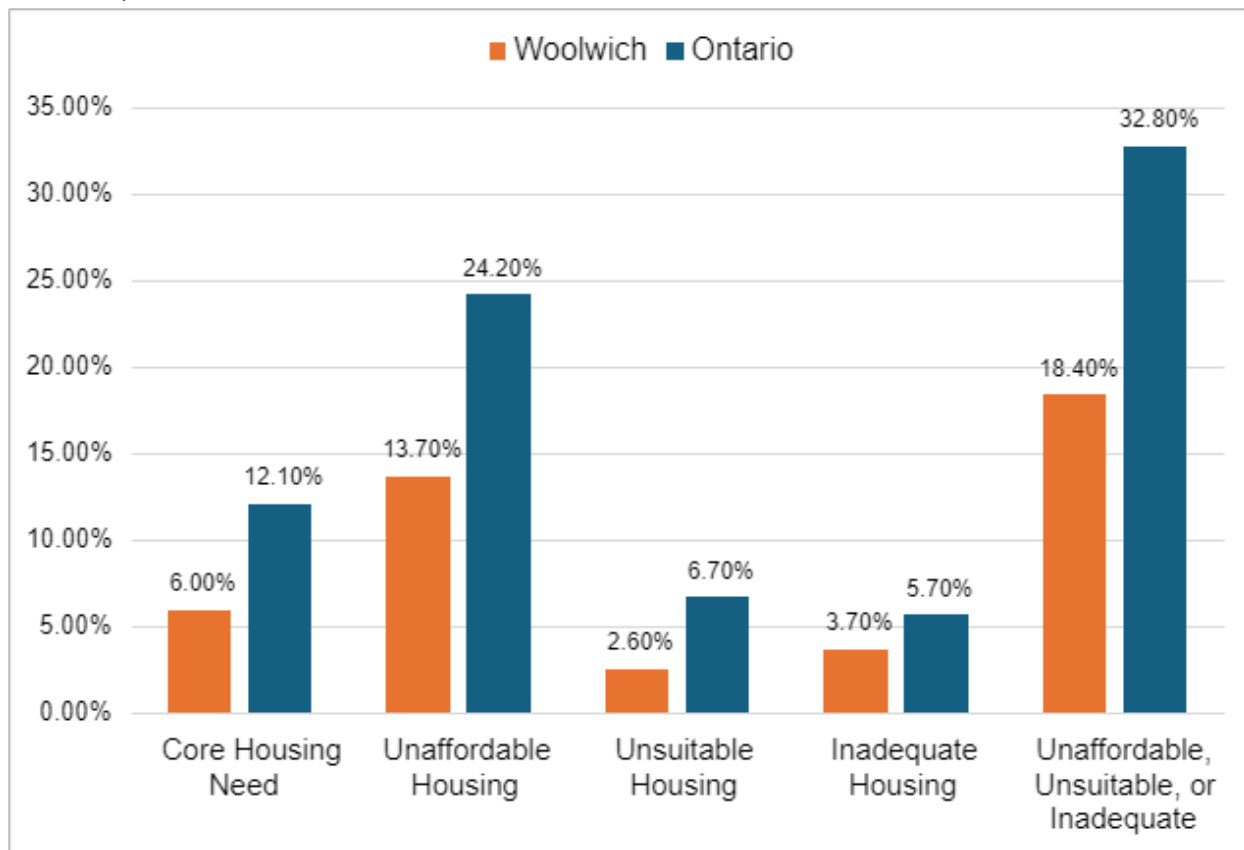
Unaffordable housing is defined as a household that spends more than 30% of its income on shelter costs. **Inadequate housing** is defined as a household that lives in a dwelling in need of major repairs. And **unsuitable housing** is described as when a household does not have enough bedrooms according to the National Occupancy Standard.

It is important to note that CMHC calculates core housing need by identifying households living in dwellings considered unsuitable, inadequate or unaffordable and then considering if income levels are such that they could not afford alternative suitable and adequate housing in their community. Of 9,005 owner and tenant households with household total income greater than zero and shelter-cost-to-income ratio less than 100%, in non-farm, non-reserve private dwellings in Woolwich, 540 of them were found to be in core housing need (6%) as of 2021. This is less than half the 12.1% of households in core housing need in Ontario in 2021. However, 13.7% of households in Woolwich were found to be living in unaffordable dwellings, with 18.4% living in unaffordable, unsuitable, or inadequate housing.

In addition to reporting core housing need, it is important to understand the number of households currently living in unaffordable, inadequate, or unsuitable housing. Based on this criteria, out of the 9,360 total occupied private dwellings in the Township of Woolwich, as of 2021, 1,725 were in unaffordable, inadequate, or unsuitable housing with either 30% or more total income spent on shelter costs, unsuitable housing, or housing in need of major repairs. This 18.4% figure (as referenced above) can be found in the 2021 Stats Canada Census data (Figure 17), and although still much lower than Ontario's 32.8% rate, points to a significant housing need for more affordable housing in

Woolwich. The largest factor affecting the Township of Woolwich's core housing need is housing affordability, as 1,245 (13.7%) households are currently spending 30% or more of their income on shelter costs.

Figure 17: Households in Core Housing Need, Township of Woolwich and Ontario, 2021

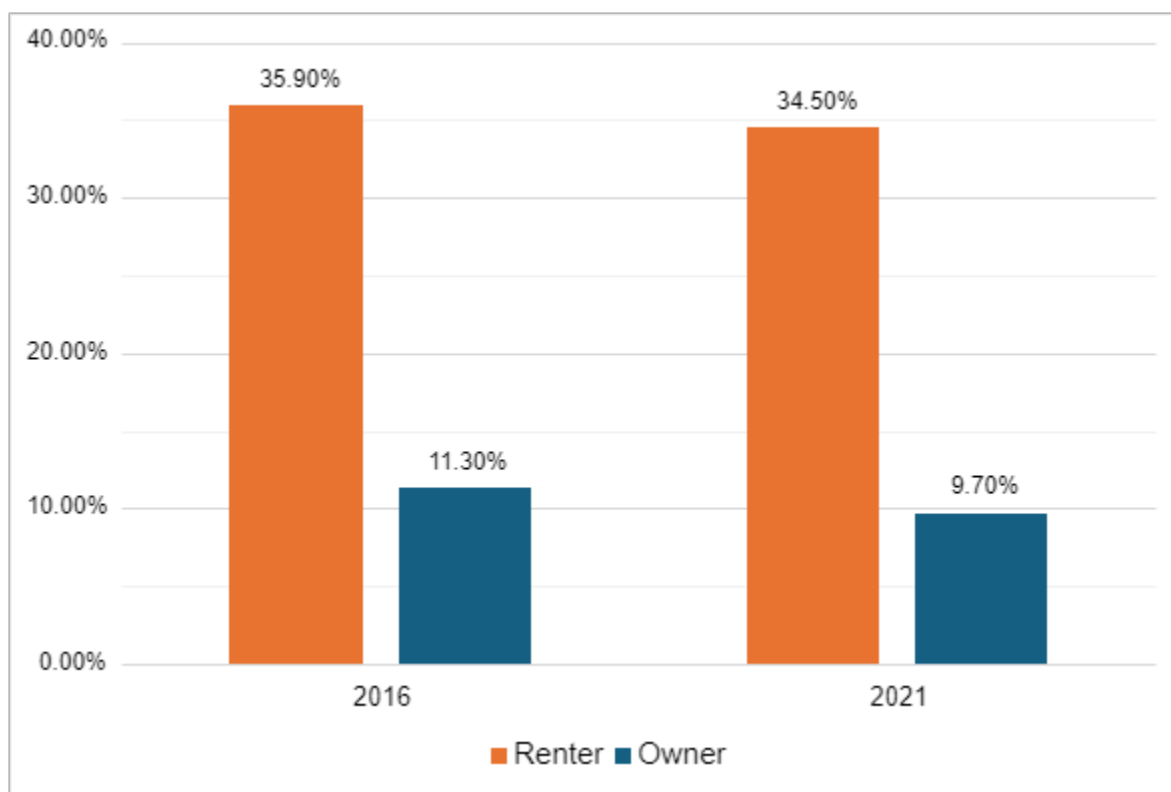


Source: Statistics Canada

Across the country there was a decrease in households experiencing core housing need between 2016 and 2021, which was likely due to factors surrounding the COVID-19 pandemic, and the federal government’s initial response with the CERB financial relief program. In Woolwich however, the decrease was not as noticeable. Those experiencing unaffordable housing dropped from 15.0% to 13.7%, and those in core housing need dropped only 0.1 % from 6.1% to 6.0%. The 2021 census reports income from the year 2020. With CERB payments having stopped in late 2020, and housing costs increasing in Woolwich from 2020 to 2023, it is likely that the percentage of households living in unaffordable housing and in core housing need has seen larger increases in the past few years. This will be a key housing measure to watch when new Census data emerges.

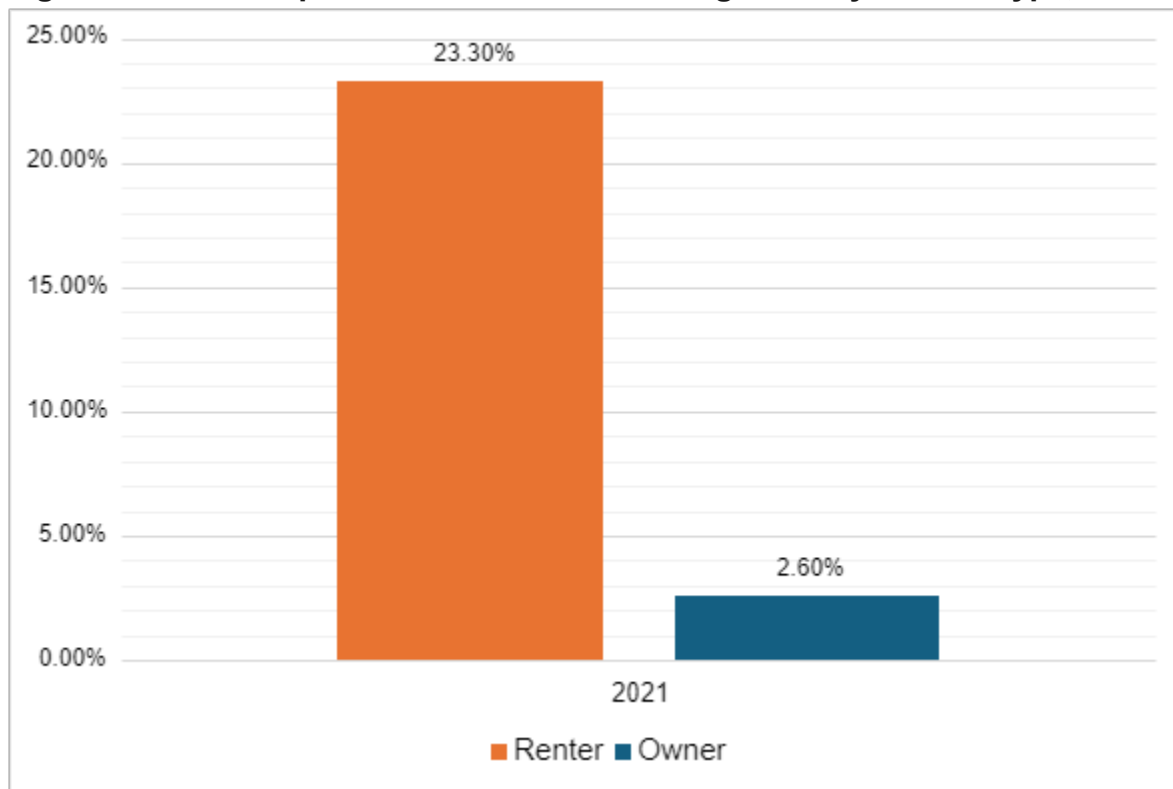
According to 2021 Census data, a greater proportion of renter households in Woolwich (34.5%) live in unaffordable housing compared to owner households (9.7%). This is true throughout the province, but the disparity is higher in the Township of Woolwich compared to Ontario as a whole. Looking at past census data we can see that in Woolwich the number of owner households living in unaffordable housing dropped by 1.6% between 2016 and 2021. During the same period, the number of renter households living in unaffordable housing dropped by 1.4%. This is illustrated in Figure 18, which illustrates that the disparity between renters and owners living in unaffordable housing has stayed consistent over time. This disparity between renter households and owner households is also true for core housing need. There were 23.3% of renter households in Woolwich in core housing need, compared to only 2.6% of owner households (Figure 19), meaning renters were roughly nine times more likely to live in core housing need in 2021.

Figure 18: Township of Woolwich Housing Affordability by Tenure Type, 2016 to 2021



Source: Statistics Canada

Figure 19: Township of Woolwich Core Housing Need by Tenure Type, 2021



Source: Statistics Canada

Core housing need also affects different demographic groups in varying ways. Single-parent households and seniors often make up the highest percentages of households living in core housing need.

4.2 Affordable Prices and Rents

Table 12 shows affordable rents for average and median incomes based on 2021 Census data using the 30% affordability threshold. An individual earning the median income could afford a monthly rent of approximately \$1,090. Individuals earning the average income in Woolwich could afford a slightly higher monthly rent of \$1,283.

The median and average incomes and thus affordability thresholds for one-person households remain close to the median and average incomes for individuals in the Township of Woolwich, although moderately lower.

For couple-only economic families making the median after tax income of \$93,000, the affordability thresholds would be \$2,325 per month in rent. For couples with children taking home the median after tax income of \$132,000 annually, the affordability thresholds would be \$3,300 a month for rent. Lastly, the median income for single

parent families residing in the Township of Woolwich was \$74,500. Their affordability thresholds would be \$1,863 a month in rent.

Table 12: Affordable Prices and Rents Based on Average and Median Income

	2020 After Tax Income based on 2021 Census data	Affordable Rent at 30% of Income
Average Income for Individuals	\$51,300	\$1,283
Median Income for Individuals	\$43,600	\$1,090
Average Income for One-Person Households	\$48,360	\$1,209
Median Income for One- Person Households	\$42,400	\$1,220
Average Income for Couple-Only Economic Family	\$100,900	\$2,523
Median Income for Couple-Only Economic Family	\$93,000	\$2,325
Average Income for Couple-with-children Economic Family	\$147,800	\$3,695
Median Income for Couple-with-children Economic Family	\$132,000	\$3,300
Average Income for One-Parent Economic Family	\$92,800	\$2,320
Median Income for One- Parent Economic Family	\$74,500	\$1,863

Source: Statistics Canada 2021 Census

Income data from the 2021 Statistics Canada Census was utilized to calculate average and median incomes and was not adjusted for inflation, as we know that salaries have, in many instances, not kept pace with the inflationary pressures in the market and with respect to housing costs and landlord expenses since 2020.

When compared to the cost of rents as illustrated in Section 3.5, the problem becomes apparent, specifically for the 25% of households in Woolwich earning less than \$60,000 annually. Current average market rents are too high to be considered affordable. As noted in Section 3.5, current market listing for vacant rental units in Woolwich range from \$1,600 for a 1-bedroom unit to \$3,475 for a three-bedroom unit.

4.3 Ontario Works and Ontario Disability Support Program

The table below indicates the affordability of allocated shelter costs for Ontario Works (OW) and Ontario Disability Support Program (ODSP) compared to CMHC data. OW and ODSP income recipients are among the lowest income earners in the province.

One-bedroom units at a very conservative monthly rental rate of \$956 are above the maximum allowance for ODSP recipients for all family sizes, except for couples with children, but particularly out of reach for individuals. It is also important to note that one-bedroom units are not appropriate for single parents or couples with children, and the cost of a two-bedroom unit is even more unaffordable. This picture means that Woolwich residents who are recipients of these government supports are priced out of their community due to clear lack of available housing options.

Table 13: Affordability for Ontario Works and Ontario Disability Support Program Recipients

Family Size	OW Max Housing Allowance	ODSP Max Housing Allowance	Woolwich Average Market Rent CMHC
Single	\$390	\$582	\$956*
Couple	\$642	\$915	\$956*
Single Parent - 1 Child	\$642	\$909	\$1,111
Single Parent - 2 Children	\$697	\$915	\$1,111
Couple - 1 Child	\$697	\$990	\$1,111
Couple - 2 Children	\$756	\$1,074	\$1,111

Source: Income Security Accuracy Centre and CMHC Primary Rental Market Statistics

*Denotes rental price derived from 2022, as CMHC does not have a 1-bedroom rental figure for the Woolwich and North Dumfries in 2023.

Once again, it should be emphasized that the average market rental rates utilized in Table 13 above are conservative numbers based on CHMC data from the 2023 and 2022 Primary Rental Market Statistics and are not reflective of listing rates for available

accommodations advertised at the time of this report. Based on the analysis completed by the project team, and included in the project reporting, the average price of units currently available for rent is much higher – ranging from \$1,600 for a 1-bedroom unit to \$2,400 for a two-bedroom unit. This renders all the available units deeply unaffordable for OW and ODSP recipients.

4.4 Canada Pension Plan, Old Age Security, and Guaranteed Income Supplement Programs

As mentioned in a previous section of this report, there is a large percentage of seniors in the Township of Woolwich, and that number is expected to grow in the coming years. Many of these seniors will be receiving publicly administered pension plans operated by the government such as Canada Pension Plan (CPP), Old Age Security (OAS), or the Guaranteed Income Supplement (GIS).

Table 14: Canada Pension Plan Benefits July-September (2024)

Program	Maximum Monthly Payment (age 65-74)	Maximum Monthly payment (age 75+)
CPP	\$1,364.60	\$1,364.60
OAS	\$718.33	\$790.16
GIS	\$1,072.93	\$1,072.93
CPP + OAS	\$2,082.93	\$2,154.76
OAS + GIS	\$1,791.26	\$1,863.09
All 3 programs	\$3,155.86	\$3,227.69

Source: The Government of Canada

It is important to note that these are the maximum amounts, and many seniors will be receiving less than what is listed above, specifically for their CPP amounts as they are based on income contributions made throughout a person’s life. In April 2024, the maximum monthly CPP payment was \$1,364.60, but the average monthly amount paid for a new retirement pension (at age 65) was only \$816.52.

4.5 Minimum Wage

For minimum wage workers, making \$16.55/hour at the time of this report, the available rental stock in the Township of Woolwich is also deeply unaffordable. Using even conservative monthly rental rates per CMHC data, a one-bedroom rental unit would be unaffordable for individuals making minimum wage, and a two-bedroom unit would be even more so.

Table 15: Affordability for Persons Making Minimum Wage 2022

Type of Unit	Woolwich Average Market Rent CMHC	Minimum Wage Affordability Monthly Rent for a Single Income Household	Difference
One Bedroom	\$956	\$753	-\$203
Two Bedroom	\$1,111	\$753	-\$358

Source: CMHC Primary Rental Statistics and The Government of Ontario

Through the community housing needs survey, many residents shared their experiences struggling to find suitable rental or ownership options in the Township, from seniors on fixed incomes, to young families, to single income households and newcomers.

This points to a phenomenon observed in many places throughout the province; when it becomes impossible to work minimum wage or traditionally lower-income positions and pay rent or mortgage payments and purchase the essentials, the services provided to the community through those positions slowly cease to become available. This can result in insufficient childcare spaces and a lack of workers in other caring professions, such as PSWs in seniors' residences and communal living communities for those with disabilities. It can also lead to decreased offerings or hours in the food service industry and retail shops.

The extent to which this is already happening within the Township of Woolwich is difficult to measure, but concerns were echoed in several interviews about challenges finding staff and volunteers, particularly when it comes to future expansion of seniors' care and dedicated housing, as well as social services.

4.6 Non-Market Housing

There are 149 Community Housing units in Woolwich – all of which are located in Elmira. Community Housing refers to housing that is in some way subsidized or administered by the Region of Waterloo – either through capital building grants, rent top-ups to private property owners, agreements to provide rent geared to income, or direct ownership under Waterloo Region Housing. Table 16 provides a breakdown of the 149 units by provider and unit type.

Table 16: Community Housing Units in Woolwich, 2024

Type of Provider	Number of Units	Bedroom types
Non-profit provider	93 units	69-1br, 15-2br, 7-3br, 2-4br
Private provider	10 units	4-1br, 3-2br, 3-3br
Waterloo Region Housing	46 units	46-1br

There are additional non-profit housing providers across the Township that are not administered and/or supported by the Region of Waterloo and are not part of the Community Housing Waiting List. Some of these non-profit housing providers are communities of faith. These include, but are not limited to:

- Sprucelawn Non-Profit, 33 Front St., St. Jacobs - 58 units (including the recently completed 28-unit addition., 1 & 2 bedroom
- St. James Manor Non-Profit, 8 Dunke St. N., Elmira - 28 units for seniors

Table 17 below shows the centralized waitlist data for the Township of Woolwich as of December 31, 2023. The numbers shown are for people who selected a Community Housing property in Woolwich from the list of available Community Housing properties. They are not necessarily currently living in Woolwich. Waitlist applicants can pick any or all Community Housing properties across the Region as places they would be willing to move to. For the numbers below this means that 1,024 households on the Region’s Community Housing waitlist have selected at least one Community Housing property in Woolwich that they would be willing to move to if they were offered a unit.

Table 17: Woolwich Centralized Waiting List, 2023

Unit Type	Number of Households	Household Type	Number of Households
Bachelor or 1 Bedroom	313	Seniors	210
1 Bedroom	316	Households with Dependents	367
1 or 2 Bedroom	3		
2 Bedrooms	67	Households without Dependents	447
2 or 3 Bedrooms	41		
3 Bedrooms	114		
3 or 4 Bedrooms	93	Total	1024
3, 4, or 5 Bedrooms	24		
4 Bedrooms	14		
4 or 5 Bedrooms	38		
5 Bedrooms	1		
Total	1024		

Source: Region of Waterloo Planning, Development & Legislative Services

The demand for the existing non-market housing units across the Township is great. In speaking with non-profit housing and community service leaders, it was noted that demand for bachelor and 1-bedroom units has remained consistently high and continued to grow, including among an older adult demographic. Demand for 3 bedroom+ units for families has risen dramatically in recent years as larger families struggle to find suitable and affordable housing in the Township.

In speaking with volunteers from St. James Manor, it was noted that the demand for additional non-market seniors' units is immense; their waiting list is double the number of available units. The Manor's model is a positive one and that organization is open to constructing more units but there is a deficit of volunteer resources to do so. A lack of human resources was echoed by many in the community, both those working and volunteering in the non-market housing sector, as well as complementary support services such as homecare and the food bank.

4.7 Expansion of Housing with Supports

In interviews with the same community service organizations, it was reiterated frequently that individuals living in non-market housing often face significant challenges due to the complexities of low-income living. These challenges necessitate comprehensive support services. Residents may require assistance with transportation, mental health support, and access to and navigation of social services. For example, many individuals need help with filling out essential forms, such as those required annually by Waterloo Region Housing, which can be a barrier to maintaining their housing.

Precarious housing and homelessness in rural communities, including the Township of Woolwich, has not always been as visible as it is in urban settings. Rural townships have a history of inner care; family, friends, and neighbours take care of one another and may even informally fill some of the roles of emergency shelters and transitional housing. It was noted throughout the community consultation that this informal system is becoming increasingly tenuous due to immense population growth, more dispersed family networks, increased financial burdens, and growing care needs. There are no emergency and limited social housing options available locally, so individuals and families in need of these options increasingly need to leave the Township in pursuit of suitable housing and supports in neighbouring communities in the absence of supports from next of kin.

Additionally, as the community becomes more diverse, there is an increasing need for multicultural support services, including language translation. Currently, the availability of such services is minimal, highlighting a gap that needs to be addressed. Expanding and enhancing these services in addition to housing will be important for ensuring that all community members receive the support they need. Therefore, integrating supportive services into affordable housing models is important in addressing the

broader needs of low-income residents. This holistic approach ensures that affordable housing solutions are not only accessible but also sustainable and effective in supporting residents' long-term well-being.

Future expansion of housing with support services, and indeed any non-market housing projects, will likely require significant engagement and support from all levels of government to make the projects work. There are many ways that the Township of Woolwich can support and champion these projects to ensure that in the years to come, the Township's housing stock can meet the needs of all current and future residents and decrease existing gaps along the housing continuum.

4.8 Service Manager Supports

The Region of Waterloo is the Service Manager for the Township of Woolwich. As the municipal service manager, the Region is responsible for the administration and coordination of various social and community services for all area municipalities within the Region. They oversee the delivery of essential services such as housing and homelessness programming, social assistance, homelessness service responses, childcare and employment supports.

In addition to managing the centralized wait list and supporting 149 Community Housing units in Elmira through rent top-ups to private property owners, agreements to provide rent geared to income, or direct ownership under Waterloo Region Housing, the Region as Service Manager is committed to funding new projects through requests for proposals and administering Housing Services Act sites. The Region has funded projects in Woolwich such as St. James Manor and Sprucelawn.

The Region lacks the necessary infrastructure to support unhoused individuals in rural areas, particularly with mental health and addiction services and significant infrastructure challenges, particularly in relation to transportation. These services are often urban based, making it difficult for rural residents to access the support they need. The need for a rural-specific homelessness strategy is evident, as traditional community-based care models are breaking down under increasing demand. Expanding transit options, especially in areas like Breslau, where a GO Station is planned, could help support increased housing density and provide better access to services for low-income residents.

Regarding future opportunities, partnering on surplus land, joint requests for proposals, and expanding programs like the affordable homeownership and Ontario Renovates Secondary Suite programs. The Region has introduced a property tax exemption for affordable housing and is exploring an acquisition program to buy and preserve affordable rental buildings. A need for more rental support and rent supplements in Woolwich was also identified through community consultation, which would help

residents immediately and in the next 5-10 years while new affordable housing is built in the community.

The Township of Woolwich should also consider participating in the co-creation of the Plan to End Chronic Homelessness by joining the Co-Creator Table. In doing so, they will be able to get a strong sense of the challenges across the Region and the pressures anticipated in the coming years as the Region's population continues to grow and put pressure on the townships. They will also be well positioned to advocate at the regional level for more support, services and transit connections to their village centres.

The Region of Waterloo is also interested in undertaking a Rural Homelessness Strategy. They are interested in partnering with the rural townships, including Woolwich, on this project. It is anticipated that as the population continues to grow across the region, and the cost of living becomes more expensive, the challenges facing the Township will change and become more complex.

The transient and often hidden nature of homelessness is such that it is difficult to capture the total number of people experiencing homelessness at any given time, particularly in rural communities. The Region as Service Manager oversee a By-Name List to track the number of individuals experiencing homelessness across the Counties and support them with resources as they are able. Housing Services does prioritize those on the By-Name List on the waiting list for community housing. The Region would benefit from ongoing support from staff in in the Township to identify individuals who are not housed so that the Housing Department can identify the most vulnerable populations and provide much-needed services.

Continued integration between the efforts of the Township of Woolwich and the Region as Service Manager is recommended as Township staff and Council look at ways to increase the supply of different forms of housing along the entirety of the housing continuum and support the needs of individuals requiring a range of housing options and complementary support services.

5. Housing Action

As a recipient of 2023 Housing Accelerator Fund monies, the Township of Woolwich had already committed to ten initiatives to remove barriers to housing development and support the rapid construction of more residential units across the Township. The completion of this Housing Needs Assessment, to identifying gaps in existing housing stock and highlighting emergent and future needs, was one of these ten initiatives.

The other nine were as follows:

Initiative 1: Development Ready Strategy for Provincially Added Urban Expansion Areas

Under this initiative, the Township committed to undertaking a Secondary Plan for Breslau, which is poised to receive much of the residential growth, engage a consultant to identify infrastructure needs across the Township, including servicing and transportation, complete identified infrastructure upgrades to ensure there is sufficient land that is development ready, and pre-zoning strategic lands to encourage greater density, a variety of built form and expedite development within the Provincially added urban expansion area. The Secondary Plan is currently underway.

Initiative 2: Establish a Framework for the Development of Underutilized Township Lands

Building upon its initiative in 2022-3 which provided surplus Township land at 28 South Street in Elmira to the non-profit Beyond Housing for a forthcoming below market 24-unit townhouse development, the Township committed to developing a framework for the disposition of underutilized Township lands. This framework would provide metrics upon which to review the properties to determine if they are underutilized and thus the lands would be suitable candidates for residential development, much needed community amenities, or a combination of both through a mixed-use project. The Township will undertake pre-development studies for the land, such as record of site condition, environmental impact studies, transportation plans and survey, as pre-zone the land if required to ensure it is development ready. A request for proposal (RFP) will be issued for each development-ready site to any interested developers with viable proposals for redevelopment.

Initiative 3: Comprehensive Transportation Plan

The Township has engaged a consultant to complete a Comprehensive Transportation Plan. Once completed, this plan will identify key sites requires for transit ready strategies which the Township will pre-designate to be ready for the demands of continued growth and pressure on existing and planning transit services. The Official Plan and Zoning By-law will also be amended as required with supportive policies to complement the recommendations of the Comprehensive Transportation Plan.

Initiative 4: Expedited Review with Dedicated Service for Affordable Housing

Under this initiative, the Township will develop a framework for fast-tracked review of planning and building permit applications for affordable and attainable housing development. Key actions will include hiring staff as well as creating an educational program regarding the integration of affordable and attainable housing in developments. Further recommendations on moving this initiative forward can be found in Section 6.

Initiative 5: Creation of Mixed-Use Development Design Guidelines

The Township will issue an RFP for the creation of Mixed-Use Development Guidelines and retain a consultant to develop said Design Guideline for the Township. The establishment of additional mixed-use development within the Township of Woolwich is critical to their strategy of diversifying the housing stock and creating units within the villages that are walkable to services and retail, especially when considering the increased cost of both land and construction. The incorporation of mixed-use development will allow for the inclusion of much needed gentle density, as well as the addition of additional amenities that are very desired by residents, as confirmed through community survey data. The establishment of a Design Guidelines will provide clear direction to both developers and Township staff, thereby shortening the pre-development timeline through clear and upfront parameters and expectations.

In developing the Mixed-Use Development Guidelines, the retained consultant should look at successful projects across the country where attainable residential units and even deeply affordable units were incorporated above retail space, medical plazas and even public buildings such as libraries. Whenever possible, AODA compliant or barrier free units should be considered as part of these mixed-use developments to help meet the immense need for compact, affordable and accessible residential units for seniors and adults with mobility concerns to live close to necessary amenities and retail, and age in place.

The Township could consider entertaining partnerships with affordable housing developers that would incorporate affordable housing design ideas with new/necessary community services facilities. An example of this could be a 4-5 story apartment complex for seniors and low-income wage earners with RGI units with a main floor public library, medical clinic and/or day-care facility. Existing integrated developments (see the “Campus” project in Orillia) serve as a good example of how this can be championed by municipality, in partnership with community partners and the private sector.

Initiative 6: Encourage the Development of Accessory Residential Units

This initiative involves various targeted actions to promote and encourage development of accessory residential units (ARUs) as a means of increasing the available rental stock in a timely manner through the use of existing infrastructure and the renovation of existing units. Key actions include: updating the Zoning By-law to permit increased flexibility for ARUs (ex. size, height, setbacks, etc.); marketing, communication and education to encourage the construction of accessory residential units in existing and new homes; development of an informational brochure and clearly laid out application process, with sample drawings; and recognizing existing accessory residential units foregoing the regular disincentive of additional fees for works prior to permit approvals. This will ensure existing units are safe for residents and in conformance with the Building Code.

The Province of Ontario has introduced legislative changes through Bill 185 that significantly impact the development of Accessory Residential Units. This intent of this change is to address the housing crisis by making it easier for homeowners to build additional units on their properties. Under these new rules, homeowners can now build up to three residential units on fully serviced lots (i.e., lots with municipal water and wastewater services) without needing to apply for rezoning. This aligns with revisions to provincial policies that permit greater density on serviced lots.

Uptake on ARU construction may also be increased with additional homeowner education and information sharing around development opportunities, landlord-tenant regulations and the benefits and value of Accessory Residential Units, coach houses and garden suites to both the property owner and the wider community.

The Township may wish to consider including the brochure or FAQ document in a municipal newsletter or property tax mail-out and should display it at the Township office and all local building supply centres. They should also consider hosting an information session or workshop on “How to Create an ARU”.

Initiative 7: Development of a Rental Housing Promotion Program

There exists 44.4 hectares of vacant properties across the Township that are serviced and have been draft approved for a minimum of five years, with no submissions for building permits due to recent market conditions. This land alone could accommodate nearly 1,000 units of residential units that fit the need for modest, affordable starter homes or much needed residential rental units.

The Township has committed to a Rental Housing Promotion program aimed jumpstart construction on these medium density blocks in the form of much-needed rental housing. Since much of the pre-development work has already been completed for these sites, this offers a way to meet demand quickly and efficiently. Through the waiving of Planning fees and a per unit financial incentive, the construction of purpose-built rentals will be incentivized on these sites. Key actions will include waiving planning fees for the construction of purpose-built rentals; financial incentives, initially through HAF monies for each unit constructed with alternative funding sources sought beyond the three years to support the continuation of the program; and education regarding the benefits of purpose-built rentals both for prospective developers and the community at large.

Through the key informant interviews completed as part of this Housing Needs Assessment and the intersectoral focus group, it was noted that many existing developers with landholdings locally are not keen to operate rental housing long-term, preferring to build ownership units. That said, there are also several non-profits in the community that are successfully operating rental housing and dedicated seniors' housing that have extensive waiting lists and the capacity to operate more units but do not have the human resources necessary to take on a new build or expansion. There may opportunities here for the Township to facilitate meaningful partnerships wherein developers can construct multi-unit residential buildings, making use of the Rental Housing Promotion program, and sell or lease the units to community organizations that can manage the buildings long-term. The Township may also need to attract new rental companies to the villages as needed to support the demand for additional attainable rental units.

In the development of this program, Township staff should seek feedback from developers through the Housing Developer's Roundtable (see Section 6.1 below) and local non-profit housing leaders to ensure that the structure of the program considers the economic realities of the current construction market and life cycle of a build, as well as the rental housing need and complementary supports that may be helpful for prospective tenants. Affordability thresholds for rental housing may need to be considered, the securing of rent supplements from the Region of Waterloo, and complementary in-home support services and public transport connections. The Township should also consider making the financial incentive a per-bedroom incentive rather than a per unit incentive to encourage the construction of larger rental units (3 bedroom+), the increasing demand for which is explained in Section 3.4.

If done well, this incentive program could be extended beyond the immediately identified parcels, encouraging a building typology and density that has not historically found strong footing within the Township and help to generate viable stock for non-profit

housing providers and ongoing partnerships between for-profit builders and local non-profit housing providers.

Initiative 8: Fast Tracking Municipal Land Program for Affordable and Attainable Housing

The initiative, a partnership with the Region of Waterloo and other area municipalities, will increase the supply of affordable, attainable and market rate multi-unit housing for both ownership and rental. A Region-wide governance framework will be utilized to select several sites that will be brought through the Rapid Building Sites program for housing. An Advisory Body made up of representatives from all area municipalities and the Region of Waterloo will be formed to establish criteria for land to be included in the program, a shared streamlined approvals framework, financial incentives package, region-wide procurement framework, and agreed upon implementation model with the required development partners.

Initiative 9: Comprehensive Zoning By-Law Update to Permit Four Units ‘As of Right’ in R3 Zones or Higher

The Township will undertake updates to the Township’s zoning by-law to permit 4 units as of right within R3 or higher zones. Per feedback from community consultation, the Township may also wish to consider updates to provide additional development options as of right, ability to allow people to age in place.

This Housing Needs Assessment, the last of the Township’s ten initiatives under the Housing Accelerator Fund, endeavours to provide the data needed for well-informed land use planning, building, and other administrative initiatives that remove barriers to development and ensure the right forms of housing are constructed to meet local need.

Section 6 below outlines several additional actions that the Township may consider undertaking to streamline new residential development and provide complementary community services to ensure that the housing continuum serves the needs of Woolwich residents and that everyone is able to find a home to call their own.

6. Recommendations

The nine additional recommendations below support the goal to ***provide for an appropriate range and mix of housing types and densities that will meet the projected housing needs of the community.***

6.1 Advocacy, Awareness & Outreach

Recommendation 1: Utilize the Development Liaison Committee to Gather Feedback and Share Housing Resources

Several local developers and builders indicated a willingness to meet with the municipal staff and “talk through” some proformas to determine what types and combinations of units could be incorporated into new subdivisions (including more flexibility in zoning by-laws) to meet the needs of current and future residents while maintain financial viability for builders.

This space could also serve as a forum for discussing local needs, introducing new policies and programs such as the Rental Housing Promotion Program noted above, and providing developers and builders with municipal or community-driven resources and information.

Action Item 1.1: Add the above items to the workplan and agendas for the Development Liaison Committee.

Action Item 1.2: Develop sample subdivision layouts with a diversity of building typologies that are workable for local developers.

Recommendation 2: Host a “Meeting of the Minds” System Integration Summit

Community engagement highlighted the need for increased cross-sectoral engagement and partnerships. Leveraging local assets and knowledge pertaining to supportive housing and support services could better serve populations with special needs and promote housing stability and create additional residential units within the Township.

A ‘system integration summit’ would include private, non-profit and government organizations with the aim of developing inter-sectoral partnerships that would enable local service agencies, non-profits and developers to leverage existing assets to build more housing. It could also serve as a forum for marketing the Rental Housing Promotion Program, underutilized and development-ready municipal lands, and other housing-related partnership opportunities.

Action Item 2.1: Host a housing summit, perhaps in partnership with the Region, to present the housing landscape, share knowledge and experience, and to raise awareness of how Township residents and housing partners can contribute to the development of a more diverse housing supply, including affordable housing.

Action Item 2.2: Continue to facilitate partnerships following the event among non-profit and for-profit residential developers, community agencies, private owners, and faith groups to renovate, redevelop, or convert vacant or underutilized land or buildings to increase the supply of affordable and supportive housing. This may include vacant homes, commercial property, motels, inns and hotels, underutilized parking lots, and vacant or underutilized property owned by faith-based groups.

Recommendation 3: Greater Collaboration with the Region of Waterloo as Service Manager

No single level of government can solve the housing supply challenges in the Township of Woolwich alone. Meaningful increases to local supply of purpose-built rental units, dedicated seniors housing, affordable and workforce housing, and other gaps in the local housing stock will only be possible with continuous and meaningful intersectoral collaboration between the Region as the Service Manager and the Township.

Action Item 3.1: Enhance continuous and ongoing collaboration with the Region to ensure alignment and efficiency in addressing housing and homelessness issues. The Region has indicated that they are interested in undertaking a Rural Homelessness Strategy. The Township of Woolwich should partner with the Region on this project. It is anticipated that as the population continues to grow across the region, and the cost of living becomes more expensive, the challenges facing the Township will change and become more complex.

Action Item 3.2: Jointly advocate for increased provincial and federal support and funding to address the unique housing challenges faced by the Region, as well as expansion of and adjustments to the rent supplement program to better align with market rents and support low-income households within the Township of Woolwich.

Additionally, joint advocacy for stronger rent control measures at the provincial level could support the development of legislative changes that would have a positive impact on renters within the Township. The Township should also provide support for any rental protection policies and programs that the Region of Waterloo may undertake to preserve existing rental stock in the Township.

Action Item 3.3: The Township of Woolwich should consider participating in the co-creation of the Plan to End Chronic Homelessness by joining the Co-Creator Table. In doing so, they will be able to get a strong sense of the challenges across the Region and the pressures anticipated in the coming years as the Region's population continues to grow and put pressure on the townships. They will also be well positioned to advocate at the regional level for more support, services and transit connections to their village centres.

6.2 Policy & Zoning

Recommendation 4: Development of a Surplus Lands Disposal Policy or Procedure

The Township can develop a Surplus Lands Disposal policy or procedure for adoption by Council and consider the use of municipally owned sites for high-impact community projects.

Township staff should maintain a short-list of high-impact community projects that would address gaps identified in the Housing Needs Assessment and community groups that can support their development and ongoing operation. These could include, but are not limited to, below market rate seniors' housing, deeply affordable housing and RGI units, modest accessible units, and larger family-sized rental units and attainable ownership units.

As residential properties are obtained by the Township, they can be considered for these high-impact projects and sold at below market value for affordable and/or support housing.

Action Item 4.1: Develop a Surplus Lands Disposal policy or procedure for adoption by Council and consider the disposal of municipally owned sites for high-impact community projects first and foremost.

Recommendation 5: Development of a Municipal Capital Facilities By-Law

The Township of Woolwich is a member of an intermunicipal group with the Cities and the Region of Waterloo that is working to develop affordable housing incentives. It is recommended that the Township continue to participate in this group and consider the development of a Municipal Capital Facilities By-law if required to implement the initiatives put forward by this group.

A Municipal Capital Facilities By-law is a legal tool that allows municipalities to enter into agreements with external parties for the provision of municipal capital facilities, including but not limited to housing. Assistance for municipal capital facilities from a municipality can include:

- Granting or lending money
- Transferring or leasing property
- Guaranteed borrowing
- Property tax exemptions or reductions

Action 5.1: Develop a Municipal Capital Facilities By-law as required in order to implement affordable housing initiatives.

Action 5.2: Consider municipal property tax exemptions for new affordable housing to complement the Region of Waterloo's Property Tax Exemption for Affordable Housing Program.

Recommendation 6: Community Improvement Plan (CIP) with Enhancements for Affordable Housing and Brownfield Redevelopment

Community Improvement Plans (CIPs) can be used as a tool to offer incentives that encourage development of affordable housing, renovations and conversions of properties from non-residential to residential as well as brownfield redevelopment. Incentives could include the waiving of application and permit fees, cash-in-lieu of parkland, and tax increment-based incentive grants, taking the full life cycle of a build and building management into consideration.

Tax increment-based incentive grants (TIBIGs) are a common tool used within the context of CIPs in Ontario to encourage new development and redevelopment in specific areas. These can be incorporated into Affordable Housing CIPs to incentivize the development of designated affordable units within new residential development projects that meet certain affordability criteria and address gaps in the local housing stock identified in the Township's Housing Needs Assessment.

TIBIGs are based on the concept of tax increment financing, where the increase in property taxes (the "tax increment") that results from the increased assessment value of a property is used to finance the incentives provided to the developer, often in the form of a grant. For example, a developer may receive a grant equivalent to the increase in property taxes for a set period, effectively reducing their tax burden and making the project more financially viable. While the Township would forgo some tax revenue as a result of new residential development or intensification in the short term, the long-term benefits of increased property value, more affordable housing units and other associated social benefits would be a net positive.

Action Item 6.1: Consider developing an Affordable Housing CIP for which the project area aligns with settlement area boundaries in their entirety, ensuring that all developers have access to the program and that affordable housing is not concentrated in certain areas within the villages.

Action Item 6.2: Incorporate brownfield revitalization incentives into the CIP to provide incentives for the revitalization of brownfields in serviced settlement areas for residential

and mixed-use development where appropriate. The program should leverage the province's Brownfields Tax Incentive Program.

Action Item 6.3: Develop a promotional plan for the new affordable housing CIP to increase uptake rates among builders and ensure the program is fully subscribed. Extensive consultation with local developers, for-profit builders, and non-profits throughout the development of the CIP will also be helpful in this regard to ensure broad community support and appetite for the unveiling of the program.

6.3 Innovation

Recommendation 7: Promote and Accept a Range of Housing Models

Promoting and allowing more housing types that serve both moderate-income households such as first-time home buyers and empty nesters wanting to downsize as well as vulnerable populations is an inclusive approach to ensuring affordable options are available to all in the community.

Action Item 7.1: There is a need for smaller, affordable homes for seniors and single persons. Evaluating options for alternative forms of housing construction such as manufactured housing, prefabricated housing, and tiny homes can expand housing options available in the community. These models, once aligned with municipal services, are viable and could be an option for community groups to develop and manage. Ensure enabling policies are in place in through the Township's Official Plan Review.

Action Item 7.2: Promoting infill developments and plans of subdivision with increased housing density and a variety of unit types (e.g., duplexes, or ARUs). Develop a streamlined application process for site plan. The Township should consider more flexible as of right zoning in subdivisions in order to allow developers to move forward with alternatives to single detached homes.

Action Item 7.3: Promote sustainable building practices and energy-efficient housing to ensure long-term viability and affordability.

Action Item 7.4: Utilize information from the Development Liaison Committee (see Recommendation 1 above) to encourage developers to consider housing forms that increase density within settlement areas and offer modest footprints and diversity of built form. Any plans of subdivision going forward should provide a variety of housing types which may include, but are not limited to townhomes, stacked towns, low-rise apartment buildings, tiny home cul-de-sacs, or detached homes with roughed in ARUs that can be completed as part of the new home sale, or finished later by the homeowner should they so desire.

Municipal staff should review proposed plans of subdivision for opportunities to incorporate low or medium-rise apartment development (where none is proposed) including the requirement for their development earlier on in the phasing of construction.

6.4 Monitoring and Process Improvements

Recommendation 8: E-permitting System (online portal) and integrated development application software for Housing Development (Building Permits and Planning Applications)

The implementation of an E-permitting system through an online portal for applications and fee payments would increase capacity for Township staff to manage the increased volume of planning applications in an expedited manner. A need for this was a strong refrain throughout the community and developer consultation for this Housing Needs Assessment.

A common refrain among developers was that if the Township is serious about addressing housing needs, they need to streamline development approval and permitting processes and revisit the cap on the maximum number of residential building permits allowed per annum.

It was also emphasized that there are several pre-zoned sites ready for development. Requests were made by community organizations, for-profit and non-profit developers and residents alike that the Township find ways to expedite these approvals and get shovels in the ground.

Action Item 8.1: Adopt a File Transfer Protocol (FTP) or use of an online portal where developers can upload materials, benefit from quick digital circulation and online e-permitting and payments.

Action Item 8.2: Aim for faster circulation and turn-around times, particularly for infill and high-social impact projects that address key gaps in the Township's housing stock: affordable rental and ownership units; dedicated seniors housing (all types); housing with supports; and larger rental units for families.

Recommendation 9: Development of Tracking Tools

Develop tools for evaluation of the housing goals and objectives both for Housing Accelerator Fund reporting purposes and to inform strategic priorities for the Township of Woolwich. Staff will be able to use these tools to assess progress and inform further action, ensuring a return on investment. The tools would track progress and be reported to Council and the community annually. In addition, this would become an advocacy document to support communication about local needs to the Region and other senior levels of government.

Action Item 9.1: Update the Housing Needs Assessment periodically as new Census data and information from the County becomes available. Monitor progress and adjust strategies as needed.

Action Item 9.2: The Township Planning and Building Department should prepare an annual report to Council on the implementation of HAF actions and other recommendation as outlined in this Housing Needs Assessment.

7. Summary

The Township of Woolwich has experienced consistent population growth, with an 8% increase between 2016 and 2021, bringing the total population to 26,999. This growth has placed substantial pressure on the local housing market, which is characterized by a limited variety of housing types. Approximately 75.8% of the housing stock consists of single-detached homes, which does not align with the increasing demand for more diverse housing options, particularly attainable, affordable and accessible units for seniors, young families, and smaller households.

Per the 2024 Development Charges Background Study completed by Watson & Associates Economics Ltd., Woolwich is expected to continue its rapid growth through the next ten years. It is expected that the market preference from single detached homes will shift more toward medium and higher density housing options due to rising home prices, and provincial planning policies that encourage more compact built form, including but not limited to more affordable townhomes, row housing, and medium to higher density apartments targeting older adults ready to downsize, working professionals, and families requiring greater affordability and a range of housing supports.

The Township of Woolwich should work collaboratively and proactively with upper-tier partners, local housing providers and builders to ensure that the Township can support the development of a suitable range and mix of housing to meet the needs of current and future residents. Demand still exists for single detached homes, though through interviews with local builders, we learned that several are already planning to build more compact housing options going forward. Increased zoning flexibility would go a long way in supporting the creation of missing middle ownership housing.

Key housing challenges include:

Affordability: Around 18.4% of Woolwich households live in housing that is either unaffordable, inadequate, or unsuitable. Of these, 13.7% spend more than 30% of their income on shelter costs. This issue is more severe among renters, with 34.5% of renter households facing affordability challenges.

A Lack of Rental Housing: Rental units make up only 16% of the housing stock, compared to the provincial average of 31%. Additionally, the vacancy rate in the township is extremely low, at just 0.7%, further exacerbating the rental affordability crisis.

A Diverse Population: Woolwich has a unique demographic profile, with a relatively young median age of 40 years and 27.2% of the population under the age of 20. However, 17.6% of the population is over the age of 65, signaling a growing need for seniors' housing. Additionally, larger family sizes, especially among Mennonite communities and newcomers to Canada, highlights the need for more three-bedroom or larger units.

Future Housing Demand: The Township is projected to grow to 36,433 residents by 2034, necessitating a significant increase in housing stock. Housing stock is expected to grow by 24% for single and semi-detached homes, but there is also a strong need for an increase in multiple dwellings (120% growth) and apartment units (127% growth) to meet future demand. The Township is encouraged to embrace flexible zoning regulations and encourage a diversity of housing typologies for both infill and new development to meet the diverse needs of current and future residents.

The Township identified 10 excellent initiatives to diversify their housing stock and encourage the rapid construction of additional residential units as part of the Housing Accelerator Fund application. Additional recommendations for housing action coming out of the findings of this Housing Needs Assessment to build on the initiatives already slated for implementation include:

Recommendation 1: Utilize the Development Liaison Committee to Gather Feedback and Share Housing Resources

Recommendation 2: Host a “Meeting of the Minds” System Integration Summit

Recommendation 3: Collaboration with the Region of Waterloo as Service Manager

Recommendation 4: Development of a Surplus Lands Disposal Policy or Procedure

Recommendation 5: Development of a Municipal Capital Facilities By-Law

Recommendation 6: Community Improvement Plan for Affordable Housing and Brownfield Redevelopment

Recommendation 7: Promote and Accept a Range of Housing Models

Recommendation 8: E-permitting System or Planning Applications and Building Permits

Recommendation 9: Development of Tracking Tools

With continued growth anticipated for the Township of Woolwich in the coming years, and a strong housing market showing signs of a need for more modest and compact forms of housing, it is an opportune time for Township staff and Council to take stock of their steady growth, the gaps in the market, and future need.

There is an urgent need for deeply affordable rental housing as average monthly rental rates, home prices and interest rates have increased. The data reveals a continued strain on the ability of the Township's housing market to provide affordable, suitable, and adequate housing for its residents, specifically for the 25% of households in Woolwich earning less than \$60,000 annually, local seniors on fixed incomes, and those required additional housing supports. Residents most in need continue to face precarious housing conditions, where those earning minimum wage are virtually shut out of affordable housing according to CMHC statistics of average market rent. As such, an income-based definition of affordable housing will be necessary when creating plans and policies to meaningfully address the housing affordability crisis in Woolwich.

The Township should focus on permitting a range of housing types along the housing continuum, with an emphasis on addressing the acute need for:

- Attainable ownership housing, including smaller, modest units within reach of first-time home buyers and those looking to downsize.
- Rental housing at various price points, including deeply affordable RGI units.
- Fully accessible 1 and 2-bedroom rental units, as well as larger 3-bedroom+ rental units to accommodate large families and multigenerational households.
- Attainable row housing, ground level units in stacked towns and medium to higher density apartments with accessibility features and elevators targeting older adults.
- Infill developments and subdivisions with increased housing density and a variety of unit types (e.g., stacked towns, duplexes, and ARUs).

Collaborative partnerships between local service providers and non-profits, the Township of Woolwich, and the Region of Waterloo as Service Manager are recommended as Township staff and Council look at ways to increase the supply of housing and associated supports within the Township and support the needs of individuals requiring a range of housing options and supports along the housing continuum. By acting in the areas that the Township is best suited to lead, staff and Council can work towards a more inclusive, diverse, and sustainable housing environment that meets the needs of all its residents. A proactive approach will help mitigate the existing challenges of housing affordability, supply, and support services, ultimately enhancing the quality of life within the Township.

Appendix A: “What We Heard” Community Engagement Summary

Introduction

The Township of Woolwich has contracted Tim Welch Consulting Inc. (TWC) to prepare a Housing Needs Assessment in order to assess and analyze the current and future housing requirements of the Township. The detailed demographic data, housing metrics, and insight from concerned parties across the municipality captured in the Housing Needs Assessment is intended to guide public sector decision-making in land use planning, building, and administrative initiatives. A series of stakeholder engagement activities were conducted throughout July and August 2024 to inform the findings of the Housing Needs Assessment. This report summarizes the experiences and insights shared by community organizations, local service providers, residents, and partners in housing development. Engagement activities were aimed at identifying gaps in the existing housing stock across the Township, opportunities and challenges around future residential development, and concrete actions the Township can undertake to help streamline development and meet the housing-related needs of current and future residents of the Township of Woolwich.

Key Informant Interviews

Key informant interviews were held with 14 individuals across 9 virtual interview calls and included Township of Woolwich staff, as well as Waterloo Region Housing Services staff, leaders from local non-profit organizations, area developers, planners and community leaders. Each interview was conducted virtually over the course of six weeks from early July to mid-August 2024.

Organizations	Interviews
Township of Woolwich Staff	2
Waterloo Region Housing Services Staff	5
Non-Profit Sector Representatives	3
Local Developers and Planners	3
Ontario Federation of Agriculture	1
Total	14

Community Housing Needs Survey

A Community Housing Needs Survey was hosted on the Township’s Engage Woolwich platform throughout the summer months. Paper copies of the survey were also made available at several municipal buildings throughout the Township for members of the community who preferred to complete a hard copy of the survey. A total of 130 responses were received.

Of the 130 respondents, the majority were between the ages of 30 and 64, with twenty-four respondents aged 65 and older and seven respondents below the age of 30. Of the survey respondents 71% lived in Elmira, a combine 17.4% lived in Breslau and St. Jacobs, 9.1% lived in other communities across Woolwich, and 3 individual respondents completed the survey who were not yet Woolwich residents, but we interested in relocating to the Township. There was one respondent who had to leave the Township in pursuit of more affordable housing elsewhere.

Interestingly, the household composition of respondents closely mirrored the household composition of the Township as a whole, per 2021 Census data and there was a broad distribution of respondents across household income levels. Most of the respondents had resided in Woolwich for over ten years (66%) and were homeowners (82%).

The survey responses received provided helpful input into the types of residential units lacking in the Township and the pressures many respondents and their families are facing in finding stable, suitable and affordable housing.

There is a tension evident between rapid growth from urban transplants and the changing expectations and culture in Woolwich. Amongst community survey respondents, there were two very noticeable trends: one group of survey respondents were less concerned with affordability and more diversity of built form. They did express concerns with the perceived level of safety within their neighbourhoods and were interested in the provision of more amenities and services in their communities, particularly in Breslau. The overwhelming majority of respondents though, expressed concerns with rising costs of living in the area, the lack of attainable rental and ownership options for housing locally, and the need for more supports for newcomers to Canada, young people looking to establish themselves and secure affordable accommodation, and above all, local seniors.

Developer Survey

A dedicated survey for the development community was also created on SurveyMonkey and circulated to local developers by email as well as through the Waterloo Region Homebuilders' Association network. Responses were received from 10 prominent local builders, all of whom have been working in the Waterloo Region for ten years or more.

There was a great deal of alignment between the survey respondents' submissions and some clear recommendations emerged for actions the Township should consider as a means of supporting the construction of more homes, faster.

Focus Group

A Focus Group was held on August 29th with 12 invitees from in attendance, representing non-profit community support agencies, for profit builders, non-profit housing providers, a local credit union, Waterloo Region Homebuilders' Association, the

Region of Waterloo, and Township staff. Following a brief presentation by Tim Welch Consulting Inc. (TWC) on the scope and intention of the Housing Needs Assessment being undertaken, lively inter-sectoral discussions were had and comments recorded by TWC staff at each table. Questions to catalyze discussion included:

- What do you feel are the biggest challenges facing the Township of Woolwich with respect to housing?
- What changes to the housing system would make it easier for you to access housing in Woolwich for those you serve and/or build housing that buyers and renters are looking for?
- What type of housing would be ideal and why? Is it a departure from what is currently being built?
- What recommendations do you have for the Township for future housing action to meet the needs of all residents current and future?

Discussions helped to clarify the challenges facing both for-profit and non-profit developers in getting projects underway, as well as the varying perspectives related to the housing continuum in the Township. The housing continuum or system speaks to the housing supply in a community that responds to a range of housing needs.

Key Themes

Several key themes, as outlined below, were noted during discussions with local municipal representatives, area service providers, developers, planners and individual residents and concerned parties who agreed to an interview, attended the focus group or completed one of the two surveys.

Role of the Township of Woolwich and A Commitment to Action

There was a desire for the Township of Woolwich to clearly define their role in addressing the housing situation as it stands today. It was cautioned that they should work as a team player with the Region of Waterloo and neighbouring area municipalities across the Region to achieve maximum impact as they work to provide a wider range of housing options. There is an opportunity for greater communication and coordination in terms of resource sharing, partnership, and more targeted and impactful advocacy efforts.

The Township can work to achieve greater density and a desirable mix of built form through zoning, establish policies and procedures that incentivize the construction of diverse forms of housing, engage in thoughtful advocacy in partnership with the Region and organizations like Association of Municipalities of Ontario (AMO) and the Ontario Municipal Social Services Association (OMSSA) and the Rural Ontario Municipal Association (ROMA), and work at facilitating relationships between different interested parties to promote inter-sectoral collaboration. Further, planning proactively for future growth will be key to ensuring long-term positive impacts from their efforts, especially

with respect to infrastructure, transit, and complete, walkable communities in Elmira, St. Jacobs and Breslau.

Lack of Appropriate and Affordable Housing Supply

The Township of Woolwich is struggling with a lack of affordability, availability and accessibility in their housing system. The situation has worsened in recent years due to inflationary pressures, higher interest rates and significant population growth within the Township. Service providers are citing an increase in demand for services and are stretched thin.

A lack of affordable rental stock and competition for units is placing increased pressure on the community. Limited options for individuals looking to downsize or upsize has essentially bottlenecked the housing system and seems to be forcing people to look outside of their desired community for suitable housing options.

There is a demand for greater diversity among housing stock, though single and semi-detached homes continue to sell reasonably well and draw a significant number of newer residents out to the Township. Rental vacancy rates are very low, and there is clear demand for affordable rental units with stable and predictable rental rates year over year.

Among survey respondents—largely current resident of the Township—the need for more seniors' units that are modest, affordable, and allow for aging in place in the villages was emphasized. The Township can and should facilitate the development of gentle density, and seniors-type accommodations in proximity to services. Other key needs included affordable family-sized units, affordable starter homes for those entering the market, and even 'tiny homes'.

Builders shared that there is still demand for single detached homes, but due to rising construction costs and interest rates, they are seeing greater demand for more modest footprints, as well as models that allow for the inclusion of roughed-in accessory dwelling units that can be completed and rented out to help offset mortgage costs or accommodate multi-generational living arrangements. In the current market, detached homes are selling more slowly than in previous years due to the higher price points. Stacked towns with four levels, with the entry level units fully accessible are selling more quickly.

Through key informant interviews and survey responses, it was clear that seniors are staying longer in their existing homes than they might otherwise be due to the costs associated with downsizing; many are "over-housed", living in larger houses than they require or desire due to a lack of available alternatives within their desired community. There is an acute need for affordable, accessible bungalows, rowhouses, small condominiums and purpose-built rentals with elevators for older adults looking to downsize. Many stories were shared of seniors are being forced to leave the Township due to the lack of affordable housing options. A strain on in-home support services that

support older adults aging in place was also apparent. The Township should be aware of this pressure and support the Region and local non-profit service providers in building capacity to support more residents aging in place in the coming years.

In terms of market housing, there was an expressed interest in small bungalows, townhomes, and stacked townhomes at more attainable price points, as well as more purpose-built rental units. There was a desire for the Township and local builders to explore creative housing options, such as units with rear lane accessory dwelling units (ADUs), mixed-use developments, and more flexible zoning to add more housing typologies in new subdivisions. There is also a shortage of accessible units in the Township, which could be incorporated into apartments with elevators or ground level units in stacked townhomes.

It was also noted that the Township should be aware that two distinct strategies are needed: one that includes actions to stimulate residential development and help address gaps in the housing stock, including but not limited to “affordable” market housing, and another to look at how the Township can collaborate with local service providers and the Region of Waterloo as Service Manager to address the growing need for deeply affordable social housing and complementary support services which are overextended at present.

With respect to prospective affordable housing development projects and the expansion of community outreach and rural support services, a lack of human resources—both professional and volunteers—was seen as a significant factor inhibiting expansion while demand is expected to grow.

“Most of our friends are all in the same position, expenses and cost of living has made things very hard for everyone.”

In the past the strongest need was for deeply affordable 1-bedroom apartments. This need still exists now but there is also an increasing need for larger unit sizes 3 bedroom + to accommodate larger families that are struggling, including newcomers to Canada who often have large families and larger low German families who struggle to get into the ownership market and need larger homes.

The need for deeply affordable housing is one that private builders cannot fill. Coordination between all partners in development, including the Region as Service Manager, and federal and provincial support for projects that offer deep affordability will be crucial. It was also a common refrain throughout the community consultation that deeply affordable units need to be integrated communities near services and amenities.

A few comments were received that noted the importance of protecting older properties with rental units. It was suggested that Township staff look at what Toronto and other jurisdictions are already doing and speak with the Region of Waterloo around best practices that could be replicable in the Township to protect existing rental stock.

There was community demand for the Township to enter partnerships and do what they can to redevelop brownfields throughout the villages for mixed use housing, medical centres, and other necessary amenities. Specific sites were mentioned several times throughout key informant interviews and among survey respondents including, but not limited to the old Elmira swimming pool, empty lots on Church Street, Kiwanis House, the old Riverside School, Trinity United Church, and the previous site of Freiburger's.

Collaboration and Advocacy

It was clear through the engagement with Region of Waterloo Housing staff that they, as the Service Manager for the housing system, are interested in being an active participant in addressing housing concerns and willing to work in partnership with the Township on focused actions. The Region of Waterloo is responsible for all homelessness and housing programming, including social assistance programming, homelessness service responses, childcare and employment supports.

The Township of Woolwich should consider participating in the co-creation of the Plan to End Chronic Homelessness by joining the Co-Creator Table. In doing so, they will be able to get a strong sense of the challenges across the Region and the pressures anticipated in the coming years as the Region's population continues to grow and put pressure on the townships. They will also be well positioned to advocate at the regional level for more support, services and transit connections to their village centres.

The Region of Waterloo is also interested in undertaking a Rural Homelessness Strategy. They are open and interested in partnering with the rural townships, including Woolwich, on this project. It is anticipated that as the population continues to grow across the region, and the cost of living becomes more expensive, the challenges facing the Township will change and become more complex. Indeed, it was noted in discussions with community leaders at the food bank that they are seeing an increasing in the number of ownership households and new residents in Breslau accessing the local food bank as interest rates have increased and homeowners have felt squeezed as a result.

In order to meet the acute need for deeply affordable housing in the Township, advocacy for funding from the Province and Federal government and policy changes is necessary. The Township can collaborate with the Region of Waterloo, Rural Ontario Institute (ROI), and the Association of Municipalities of Ontario (AMO) on this front for greater impact.

Streamlining the Approvals Process

A common refrain among developers was that if the Township is serious about addressing housing needs, they need to streamline development approval and permitting processes and remove the cap on the maximum number of residential building permits allowed per annum. It was reported that the planning approval and permitting timelines in Woolwich tend to take longer than in neighbouring jurisdictions, and the permit caps prevent housing construction that is otherwise ready to go. Both of

these factors end up costing the developer more in interest costs and thereby impact housing affordability.

Positive feedback around municipal efforts to work with developers was also received. One builder cited a positive arrangement in which they received a higher allocation of units in exchange for providing designated affordable units in their stacked townhomes. The money saved through lower interest rates could offset the cost of incorporating additional units at a below market rate in the development. Further, the Township collects development charges (DCs) at the time of building permit as opposed to at the time of application, as in other jurisdictions. This measure does assist builders financially and should be maintained.

“The focus on process has sometimes overshadowed the emphasis on deliverables, specifically the timely creation of new homes. While we understand the importance of following proper procedures, streamlining these processes could help us better meet our shared goal of increasing housing supply more efficiently.”

“If Woolwich is serious about addressing housing needs, the annual development cap in Elmira and Breslau needs to be removed. Without lifting these caps, this entire study is merely window dressing and fails to address the core issue—a severe shortage of housing in the region. Removing these barriers will allow the necessary supply to meet growing demand.”

Requests were made to eliminate excess planning approvals and studies that add unnecessarily to pre-development timelines, provide options as of right, and adopt an FTP where developers can upload materials, benefit from quickly digital circulation and online e-permitting and payments. While there are application fees and incentives programs around waiving fees, and those are nice to have, ultimately time is money; the longer the process takes the more expensive things become.

It was also emphasized that there are several pre-zoned sites ready for development. Requests were made by community organizations, for-profit and non-profit developers and residents alike that the Township find ways to expedite these approvals and get shovels in the ground.

Situating New Development Appropriately to Preserve Prime Agricultural Land

The Township of Woolwich is home to some of the best farmland in the province and faces the challenge of managing rapid growth while maintaining viable agricultural land. Housing developments in Woolwich must be balanced with farmland preservation. This is a critical issue as the community expands and housing needs increase. Greenfield development should be carefully planned and situated, and infill opportunities within the downtown cores fully maximized.

Woolwich has historically been home to a large Mennonite community living in on-farm, multi-generational households. Newly married young people are looking not just for housing, but a farm. They will either expand the house on the existing family farm, or

they need to move in search of land to farm outside of the Township, especially as less farmland is available.

Many survey respondents encouraged the Township to promote and expedite infill development, gentle density and diversity of housing options in the villages over prioritizing the development of detached and semi-detached units on greenfield lands.

Concerns Around Insufficient Infrastructure and Amenities

Concerns were expressed around insufficient infrastructure, services and amenities to support greater density as the Township has worked to keep up with the significant growth in recent years. In particular, comments were made that there should be a significant investment in infrastructure and amenities in Breslau.

In addition, housing, particularly seniors housing and affordable housing, needs to be close to services, amenities and public transportation. While public transportation is available, limited existing bus routes can be challenging for residents to get to work in Waterloo/Kitchener or vice versa. It was suggested that free shuttle services need to be maintained and increased.

Disincentives for Building Affordable Housing

Despite the clear demand for more affordable housing options, local builders and developers mentioned many disincentives to build more affordable units. They noted that it is important to understand the full life cycle of housing development, from initial planning to construction and ongoing maintenance when drafting and implementing housing policies. Specifically, land and building costs across the Region render it unfeasible to construct more affordable housing. The economics of it no longer make sense and private builder cannot operate at a loss.

Builders are however, interested in incorporating a diversity of unit types wherever possible. They are seeing an uptick in interest in the models with rough ins for ADUs. Flexible zoning to accommodate rear lane products is helpful for builders and allows for more opportunities for ADUs and increases parking. Rear lane homes are also appealing to multigenerational households. There was also an openness to more stacked townhome, accessible units and small condominiums within new developments to meet the diversity of needs locally.

Among the non-profit developers, there was a unique set of challenges. There is a need for significant support from all levels of government to make below-market-value housing development—particularly those with rent-geared-to-income (RGI) units—viable. Funding agreements however, come with stringent design and reporting requirements, and unique constraints on their operating budgets post-construction. It was also noted that local government support is critical for such projects, as municipal

buy-in and financial support is often a condition for receipt of funding from higher levels of government. From the non-profit developer's perspective, the timing of municipal investment isn't as important as the overall commitment. They need certainty that they can plan around. When they apply for Provincial and Federal funding, they need to be able to demonstrate municipal commitment to the project.

Community Awareness

The face of communities across the Township is changing in many ways and there were a few concerns raised about NIMBYism (not-in-my-backyard) when discussions around designated affordable housing are raised. Concerns were shared about the lack of understanding about housing affordability with many residents not seeing the impact that the housing situation is having on local seniors, single parent families, those working in traditionally lower- and middle-income fields, and other households facing financial pressures in today's current market conditions. Both the Township and local community groups could assist with this through educational efforts to raise awareness about what constitutes "affordable housing" in today's market and its impact on ensuring a healthy, well-balanced community and workforce.

Summary

The "What We Heard" report for the Township of Woolwich presents community feedback gathered through surveys, key informant interviews and an inter-sectoral focus group focusing on local housing and development throughout the summer of 2024. The report underscores the need for collaboration between developers, multiple levels of government, and the community to address gaps in the local housing stock, infrastructure needs, and concerns around housing affordability as the Township's population grows.

Amid rising land and construction costs, builders are committed to adapting to changing needs by incorporating a wider range of housing types, such as stacked townhomes, ADUs and multigenerational homes, if facilitated by flexible zoning regulations. Non-profit developers face challenges in delivering affordable housing, requiring support from all levels of government. Municipal commitment is essential to secure broader funding. There is an acute need for seniors housing, accessible residential units, purpose-built rental units, and modest homes and condominiums.

Significant issues include tensions around farmland preservation and stigma around affordable housing, often due to a lack of understanding of its benefits for various vulnerable groups in the community, such as seniors, single income households, and large families, and young people looking to enter the housing market. Public education on the need for affordable housing could reduce opposition and help foster a more welcoming environment for diverse housing solutions.

The report highlights the importance of collaboration between local governments, developers, and the community as a whole to create a balanced and inclusive community with a robust and complete housing continuum that meets the needs of current and future residents of the Township of Woolwich.