Fort Erie Housing Needs Study

October 2019



CANADIAN CENTRE FOR
ECONOMIC ANALYSIS

About the Canadian Centre for Economic Analysis

The Canadian Centre for Economic Analysis (CANCEA) is a socio-economic research and data firm. CANCEA provides objective, independent and evidence-based analysis and is dedicated to generating comprehensive, collaborative, and quantitative insight into the short- and long-term risks and returns behind market changes, policy decisions and economic behaviour.

CANCEA uses modern techniques in data science, including agent-based modelling, for econometric analysis, risk management assessments, demographic forecasts and epidemiology. CANCEA's work includes market analysis, policy evaluation and risk management, business model optimization, cost-effectiveness and rate-of-return analysis, macroeconomic analysis, insurance risk evaluation, land use and infrastructure planning, logistics, and labour market analysis. CANCEA also provides comprehensive Canadian data services.

At the centre of CANCEA's analytical capabilities is an agent-based platform called Prosperity at Risk®, which is an extensive, data-driven model of 56,000 locations across Canada. Given the systems focus behind all of CANCEA's work, CANCEA has a single-model approach to its analysis, which allows various disciplines and stakeholders to be incorporated into a single analysis.

©2019 Canadian Centre for Economic Analysis

Printed in Canada • All rights reserved
ISBN: 978-1-989077-16-0

CANADIAN CENTRE FOR ECONOMIC ANALYSIS

About This Report

CANCEA does not accept any research funding or client engagements that require a pre-determined result or policy stance or otherwise inhibit its independence.

In keeping with CANCEA's guidelines for funded research, the design and method of research, as well as the contents of this study, were determined solely by CANCEA.

This information is not intended as specific investment, accounting, legal or tax advice.

This report was commissioned by The Corporation of the Town of Fort Erie

Citation:

Fort Erie Housing Needs Study. Canadian Centre for Economic Analysis. October 2019.

TABLE OF CONTENTS

Results At A Glance 1
Introduction 1
Demographics 1
Housing Stock 1
Income Levels 2
Housing Need 3
Achieving Target Growth 4
1.0 Introduction 6
1.1 Objectives 6
1.2 Methodology 6
2.0 Population and Households 8
2.1 Demographic Trends 8
2.2 Employment and Incomes 9
2.3 Concluding Remarks 14
3.0 Housing Stock and Need 15
3.1 Dwelling Types and Tenure 15
3.2 Shelter Prices 17
3.3 Housing Need 18
3.4 Sub-Population Focus 24
3.5 Concluding Remarks 27
4.0 Policy Recommendations 28
4.1 Risks and Rewards of Pursuing Different Growth Trends 28
4.2 Target Growth: Fort Erie in 2041 28
4.3 Consultation Feedback 35
4.4 Policy Recommendations 36
4.5 Timing of Policy Objectives 39
4.6 Concluding Remarks 40
5.0 Key Takeaways 41
5.1 Demographic Patterns and Trends 41
5.2 Core Housing Need 41
5.3 Planning for 2041 42
A. Glossary 43

LIST OF FIGURES

Figure 1 Households by age and type, 2016 8

Figure 2 Age distribution of population by gender, 2016 and 2041 9

Figure 3 Average and median individual income by age, 2016 10

Figure 4 Median income by dissemination area, 2016 10

Figure 5 Main self-reported occupation types, 2016 12

Figure 6 Gender and age of employment income recipients with a total income in deciles 1 to 4, 2016 12

Figure 7 Education level of individuals with a total income in deciles 1 to 4 by gender, 2016 13

Figure 8 Employment trends and projections, 2001-2041 14

Figure 9 Rental stock by dissemination area, 2016 16

Figure 10 Tenure by household type, 2016 16

Figure 11 Average rents by number of bedrooms reported by CMHC (as available), 2006-2017 18

Figure 12 Core housing need, share by household type, 2016 19

Figure 13 Core housing need indicators by tenure (number of households), 2016 20

Figure 14 Core housing need indicators by tenure (percentage of households), 2016 20

Figure 15 Affordability matrix – Owners, 2016 22

Figure 16 Affordability matrix – Renters, 2016 23

Figure 17 Percentage of households spending over 30% of income on housing by DA, 2016 24

Figure 18 Share of population 65 and over by dissemination area, 2016 25

Figure 19 Single-person households in core housing need, 2016 26

Figure 20 Lone-parent households in core housing need, 2016 27

Figure 21 Single-detached housing stock, historical and scenario projections 28

Figure 22 Row and semi-detached housing stock, historical and scenario projections 29

Figure 23 Apartment housing stock, historical and scenario projections 29

Figure 24 Population growth by scenario, 2016-2041 31

Figure 25 Number of households by household type, 2041 31

Figure 26 Difference in population relative to target, number and percentage, 2041 32

Figure 27 Difference in number of households by income compared to target scenario, 2041 33

Figure 28 Number and percentage of households in core housing need 33

Figure 29 Number and percentage of households in core housing need, 2041 34

Figure 30 Number of households in core housing need by income bracket, 2041 35

LIST OF TABLES

Table 1 Individual and household income deciles in Niagara Region, 2016 11

Table 2 Housing stock by dwelling type, 2016 15

Table 3 Self-reported dwelling values, 2001-2016 17

Table 4 Recent market prices, 2016-2019 17

Table 5 Affordable housing units by mandate and type, 2019 18

Table 6 Households in core need by household type, 2016 19

Table 7 Core housing need by age of household maintainer and tenure, 2016 21

Table 8 Households in core housing need by decile, 2016 21

Table 9 Households spending over 30% of income on shelter, 2016 24

Table 10 Percent of older adult households in core housing need by age of maintainer, 2016 26

Table 11 Percent of older adult households spending over 30% of income on shelter by age of maintainer, 2016 26

Table 12 Number of units required to hit 2041 targets by dwelling type and projected shortfalls 30

RESULTS AT A GLANCE

INTRODUCTION

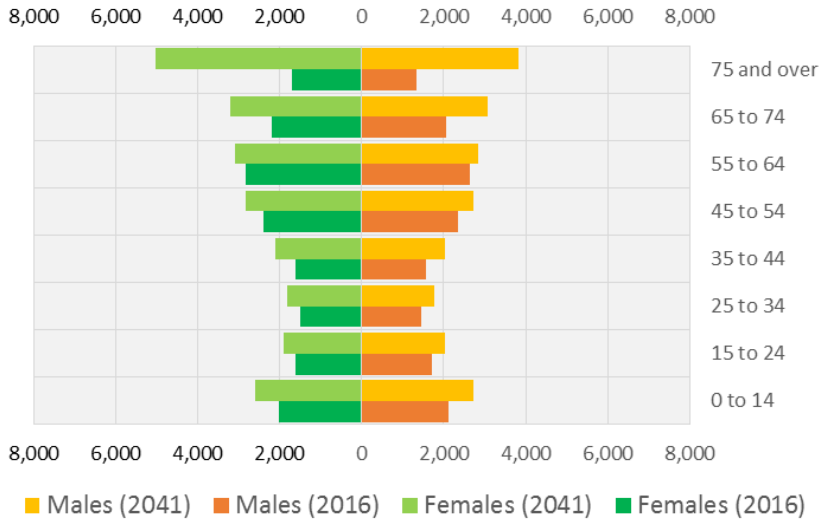
This study provides background on the demographic and economic characteristics of the Town of Fort Erie and assesses the current and future local unmet demand for housing based on data from Statistics Canada and CMHC, which was consolidated and curated by CANCEA. Its objective is to provide the Town of Fort Erie with a data-driven basis upon which specific local priorities can be developed.

The following report summarizes the main findings of the study, including housing and demographic trends in the data and growth scenario analysis projections, along with key takeaways from consultations with community stakeholders and policy recommendations.

DEMOGRAPHICS

The Town of Fort Erie is facing challenges common to Niagara Region but unique relative to much of Ontario. The Town already has a significantly older population compared to the provincial average, and this demographic aging is expected to continue to trend upwards in the future. The population aged 65 years or older is expected to more than double by 2041. Couples without children and single-person households are the dominant types of households, a trend which is also expected to continue as the population ages and household sizes decrease.

Age distribution of population in Fort Erie by gender, 2016 and 2041



HOUSING STOCK

The housing stock in the Town of Fort Erie is primarily composed of single-detached dwellings, distantly followed by low-rise apartments units and row housing. Ownership is the main form of tenure, while one household in five rents their dwelling. Fort Erie's rental and ownership stock differ considerably, with nine

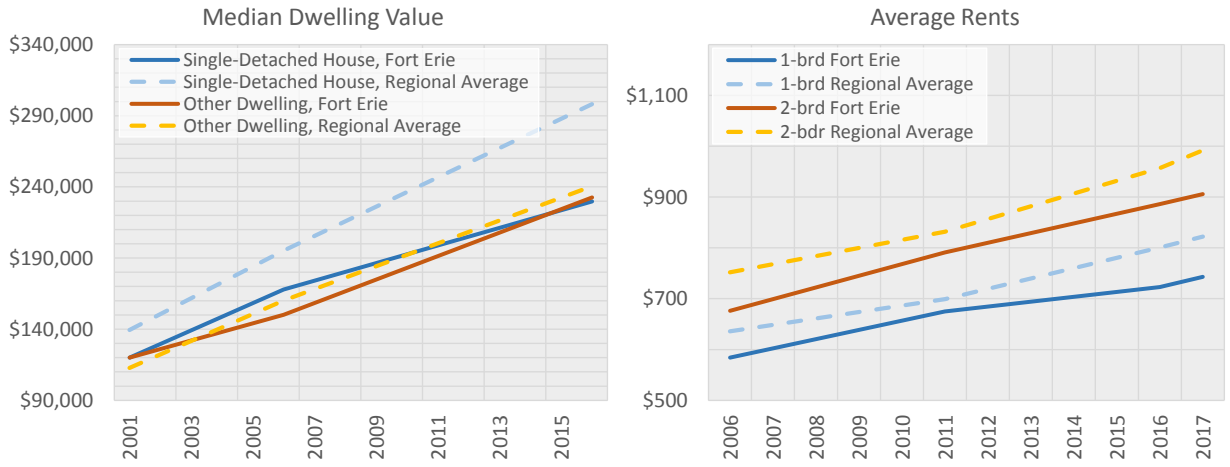
out of ten single-detached houses belonging to the ownership stock and nine out of ten apartment units belonging to the rental stock. Furthermore, single-income household types are most likely to be renters compared to all other household types. Rental units are almost exclusively found in the more densely populated cores in Fort Erie.

Housing stock by dwelling type, 2016

Dwelling Type	Number	Percent of Total
Single-detached	10,572	83%
Semi-detached	246	2%
Duplex Apartment	483	4%
Row house	258	2%
Apartment 5 stories or less	872	7%
Apartment over 5 stories	290	2%

Housing prices have increased over the historical period reported in this study, almost doubling since 2001. During that period, the average rent for a one-bedroom apartment increased by 27%. Housing prices and rents in Fort Erie continue to be lower than Regional averages.

Comparisons of dwelling values (left) and average rents (right) between Fort Erie and Niagara Region



Income Levels

The average individual income in Fort Erie is $40,400, and the median income is $30,600, which are similar to the Regional average and median. At the household level, the average household income in Fort Erie is $75,760. To understand affordability pressures, it is helpful to divide the population by income level using Regional household income deciles[1]. The upper and lower household income thresholds for each decile are given in the table below.

[1] Each decile contains 10% of all households in Niagara region, i.e. households whose incomes are lower than 90% of the population are in the first decile, while households whose incomes are higher than 90% of the population are in the tenth decile.

Regional household income deciles, 2016

	Household Income
Decile 1	Less than $19,400
Decile 2	$19,400 to $29,499
Decile 3	$29,500 to $39,799
Decile 4	$39,800 to $52,699
Decile 5	$52,700 to $68,399
Decile 6	$68,400 to $84,299
Decile 7	$84,300 to $101,199
Decile 8	$101,200 to $122,199
Decile 9	$122,200 to $155,899
Decile 10	$155,900 or more

Housing Need

Core housing need is the standard indicator of housing need in Canada. A household is considered to be in core housing if its housing falls below at least one of the adequacy, affordability or suitability standards and there is no alternative acceptable housing that would cost less than 30% of total household income.

Core housing need, affects 14% of the households in Fort Erie or approximately 1,810 households, according to the most recent figures. Renter households are in core housing need at 3.5 times the rate of their owner counterparts and also live in unsuitable, unaffordable and inadequate dwellings at higher rates. Of these components of housing need, affordability is the main challenge in Fort Erie. All households affected by core housing need are in the lower 3 income deciles, and of these, the majority are in deciles 1 and 2, earning less than $29,500 per year. Households most vulnerable to core housing need are single-income household types, namely people living alone and lone parents.

Households in core housing need by household type, 2016

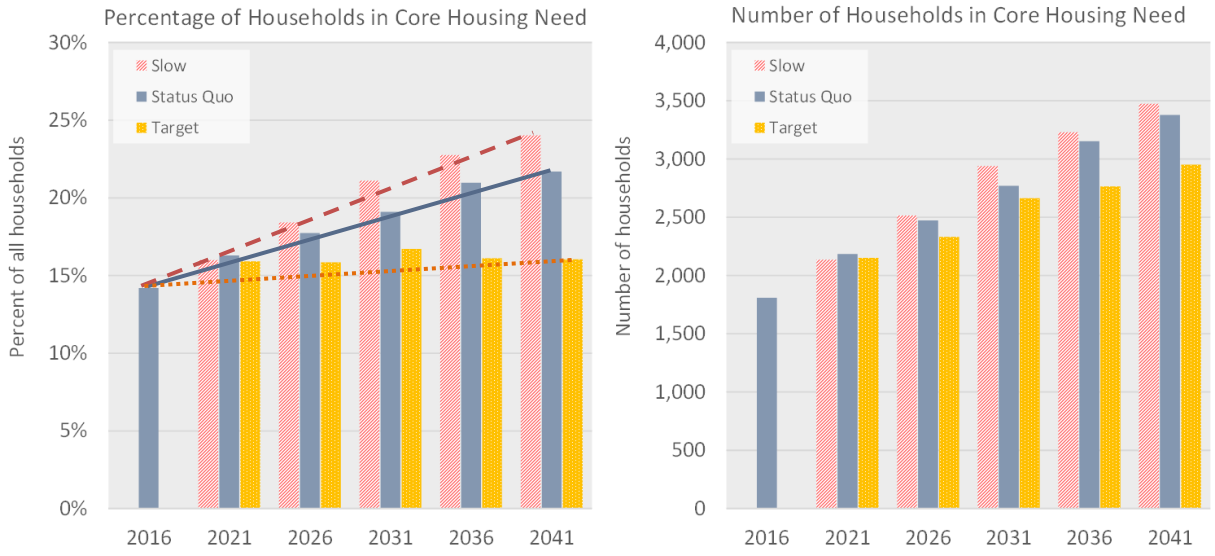
Household Composition	Rate of Core Need	Households in Core Need	Suitable Housing
Single-Person Households	37%	1,430	Bachelor or 1 bedroom
Lone-Parent Households	25%	309	2 or more bedrooms
Couples without Children	1%	54	1 bedroom
Couples with Children	1%	16	2 or more bedrooms

The types of housing needed by most households in core need are:

- Bachelor apartments and one-bedroom units for single-person households;
- Family-friendly units with two or more bedrooms for lone-parent households; and
- Affordable housing – spending $737 a month on shelter is unaffordable for 72% of all households in core need.

The rate of core housing need is at risk of increasing to 22% by 2041 if current growth trends persist. However, by increasing the rate at which housing is developed with an emphasis on medium- and higher-density housing, the target growth rate that minimizes core housing need could be achieved.

Number and percentage of households in core housing need under different growth scenarios



Achieving Target Growth

To achieve its population growth targets for 2041, as defined by the Municipal Comprehensive Review, Fort Erie requires the construction of an additional 5,200 housing units (38% single-detached houses, 21% semi-detached and row housing, and 41% apartment units). The type of growth Fort Erie decides to pursue will have an effect on the future makeup of the population. If current construction rates are to persist, the demand for housing is likely to exceed supply, making it harder for young people and lower-income single people to move to the area or remain in Fort Erie. This could speed up the demographic aging already underway in Fort Erie and limit the labour supply for lower-wage jobs, namely in the sales and service. Furthermore, affordability pressures can, in turn, raise the rate of core housing need in the Town, if demand continues to outpace supply.

Number of units required to hit 2041 targets by dwelling type and projected shortfalls

Dwelling Type	Additional Units Required to Reach Target (2019-2041)	Shortfall under Status Quo	Shortfall under Slow Growth
Single-Detached	1,950	-150[2]	850
Row- and Semi-Detached	1,100	800	950
Apartment	2,150	2,150	2,150
Total	**5,200**	**2,800**	**3,900**

In consultations, local stakeholders discussed how community members are perceiving a decline in housing affordability in Fort Erie and the risk that the current growth trend could further exacerbate this phenomenon. A main concern was the importance of ensuring that the Town of Fort Erie can continue to be home to households of different income levels, both from an economic and social standpoint. Potential solutions that could help foster income diversity and bring the Town of Fort Erie closer to the target growth scenario include the creation of partnerships and financial incentives for the provision of affordable housing and using regulatory tools to drive the development of priority housing types (e.g. rental, and/or medium- to high-density dwellings).

Understanding the makeup of the community, grasping the extent of current housing need, and understanding how these are likely to evolve over time are the first steps to developing housing priorities that promote an economically sustainable and diverse community. Positioning Fort Erie relative to the chosen priorities and objectives requires weighing the risks and rewards of the current growth trajectory and designing policies that can create incentives to shift this trajectory towards the Town's desired outcome over the next two decades.

[2] A negative value denotes a surplus.

1.0 INTRODUCTION

1.1 OBJECTIVES

This study provides background on the demographic and economic characteristics of the Town of Fort Erie and assesses the current and future local unmet demand for housing. The goal of this study is to provide the Town of Fort Erie with a basis on which local priorities specific to Fort Erie can be developed.

This report summarizes the available historical information about the current stock of rental, ownership and affordable housing in Fort Erie by type, as well as households and population characteristics. The study also provides forecasts of Fort Erie's future housing stock up to the year 2041 under different growth scenarios. These scenarios are designed to present the implications of pursuing differing growth trends over the coming two decades for the population, housing stock and local economic development.

In the course of the study, CANCEA:

- Created a comprehensive and interactive dataset that combines housing and demographic data in one place for use by the Town of Fort Erie staff and policy-makers and includes historical forecasts and projections up to 2041 for key housing and demographic metrics.
- Conducted a housing needs analysis based on the data to determine the number of households in core housing need and facing affordability challenges, as well as identifying the groups that face the most pressure in the ownership and rental markets.
- Conducted a growth scenario analysis to quantify the local socio-economic impacts of growing at a slower pace than the status quo, or alternatively, at a rate that will lead to the achievement of the MCR population target.
- Led two consultations with the Town of Fort Erie's Affordable Housing Committee to present results of the housing needs analysis and confirm that the data capture represents the local experience; to identify key themes in the data and identify the main growth scenarios of interest for the Town; to present results of the growth scenario analysis and to discuss housing policy priorities as informed by the analyses.
- Hosted a Public Open House in the Town Hall Atrium to present key findings.

This report is intended to provide a summary of representative housing and demographic data and the growth scenario analysis, along with graphs and tables to easily visualize this information and to summarize key findings and policy recommendations.

1.2 METHODOLOGY

1.2.1 HOUSING DATA

The dataset was created using CANCEA's statistical analysis and data simulation platform, which makes use of 15 years' worth of community-level data housed in a linked-path agent database that covers 55,000 regions across Canada. The platform is regularly updated to include the most recent Statistics Canada

datasets and census information. The baseline population projections are aligned with the Provincial Places to Grow targets as well as with the numbers generated by the Municipal Comprehensive Review. These population projections, along with life expectancies and birth rates, are used to determine the number of households and the dwelling sizes these would require under different conditions and over time. Information about the current housing stock, the way in which the current population is housed (affordability, suitability and adequacy) and dwelling formation rates (both market and non-market) are used to assess the supply of housing over time.

This study and the accompanying dataset draw primarily from Statistics Canada census datasets and CMHC tables. All population and household counts have been corrected for census undercounts. As a result, these may be larger by a small percentage than those found in the census table. All income values are presented in constant 2015 dollar figures to be consistent with the 2016 census results.

Additional data included was provided by the Regional Municipality of Niagara, including:

- Provincial policy statement tables;
- Core housing need custom cuts; and
- Affordable housing data.

1.2.2 GROWTH SCENARIO ANALYSIS

Growth scenarios are used to project the characteristics of Fort Erie's population and housing stock up to a defined planning horizon under different construction rates, including a baseline that represents the Town's status quo growth to determine the risks, benefits and potential pressures it could face under alternative growth paths. The results are intended to support evidence-based policy-making that considers the consequences of these different paths.

The growth scenarios were built on the basis of historical construction rates as measured by CMHC completion rates. The three scenarios considered are as follows:

1. Status Quo Growth – maintains the average construction rate seen in Fort Erie over the last five years.
2. Slow Growth – is the average construction rate over the last five years less two standard deviations with a minimum threshold equal to half the average.
3. Target Growth – is the growth required to achieve the number of dwellings needed to house the target population based on the MCR "strategic growth" and includes the higher-density units that have been approved, designated or zoned by the Town of Fort Erie.[3]

[3] The target split of build types, i.e. target density mix, for new residential construction was defined to include apartment units that have been approved by the Town of Fort Erie and those that have been designated or zoned. The remaining units were split between single-detached, semi-detached and row housing according to recent development trends (recent construction consisted primarily of single-detached units), such that across Niagara Region in the aggregate, new developments consists of 30% single-detached housing, 40% semi-detached and row-housing and 30% apartment units (the target split defined at the Regional municipal level).

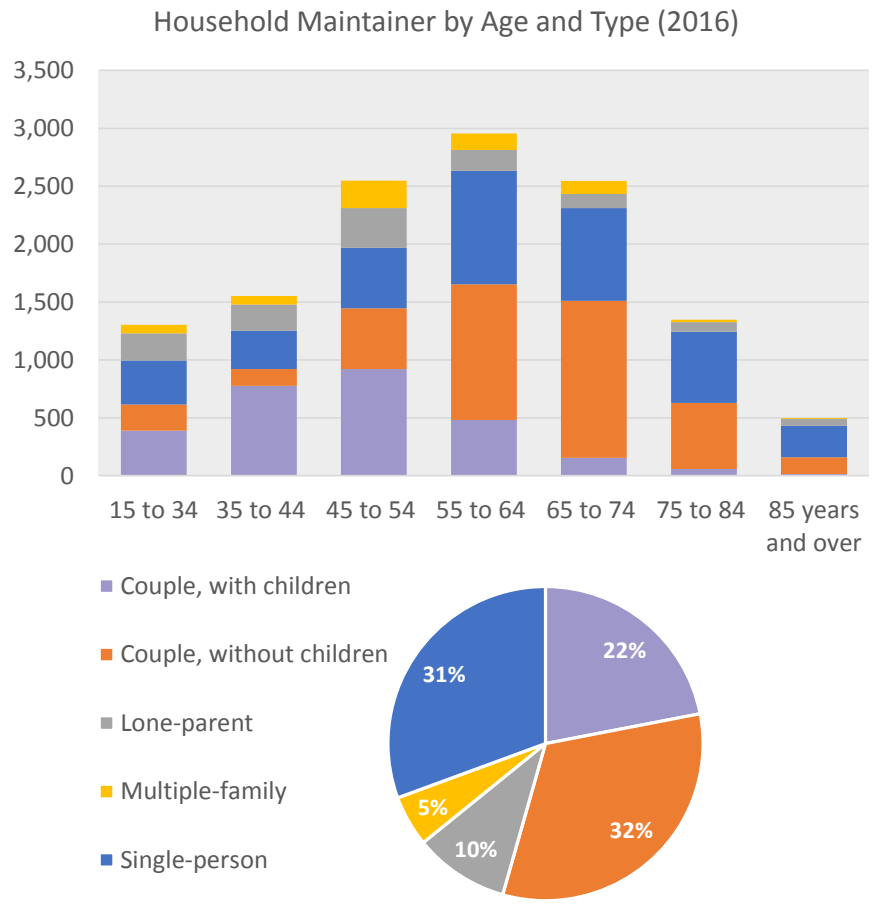
2.0 POPULATION AND HOUSEHOLDS

2.1 DEMOGRAPHIC TRENDS

2.1.1 POPULATION AND HOUSEHOLDS

The Town of Fort Erie's household make up skews older and household sizes are relatively small. Couples without children are the most common type of household and make up 32% of the Town's households, followed by single-person households[4] (31%) and couples with children (22%), as shown in the pie chart in Figure 1. The proportion of single-person households is 1.5 times the provincial average. Additionally, 50% of couples without children and 43% of single-person households have a maintainer aged 65 years or older.

Figure 1 Households by age and type, 2016

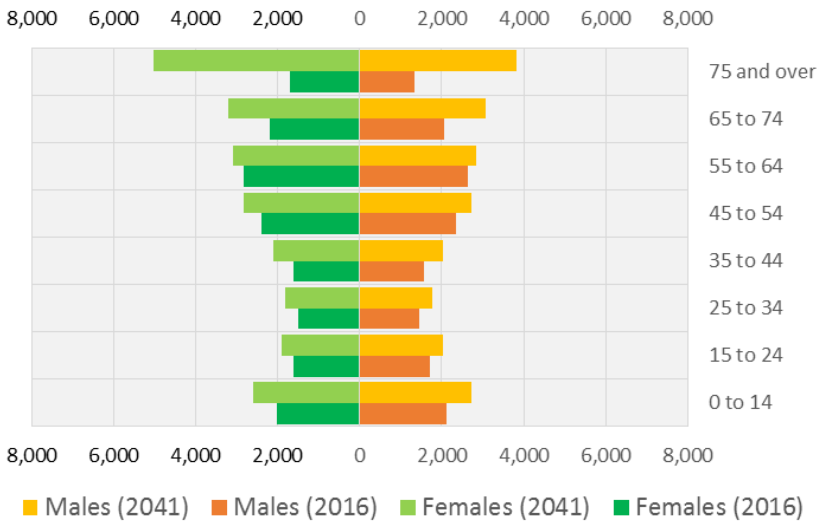


[4] For simplicity, this report refers to what Statistics Canada designates as "non-census households" as singles or single-person households. Non-census households include all non-census family households (see glossary) and are predominantly single-person households.

2.1.2 POPULATION TRENDS

The age profile of Fort Erie is expected to increasingly skew older as 2041 approaches. Currently, the population aged 75 and older is 27% smaller than the 14 and under population. By 2041, it is expected that this older cohort will be 67% larger than the 14 and under population. At 192%, the growth rate of the cohort aged 75 years or older is at least 4 times larger than the growth rate of any other cohort. The older population is projected to also skew slightly female, as shown in Figure 2.

Figure 2 Age distribution of population by gender, 2016 and 2041



2.2 EMPLOYMENT AND INCOMES

The average individual income in Fort Erie is $40,400, while the median income is $30,600, which are very similar to those of Niagara Region as a whole.[5] The average and median incomes by age group are given in Figure 3. The discrepancy between the average and median is an indication of the degree of income disparity in the Town. Figure 4 maps the median incomes in Fort Erie at the dissemination area[6] level.

In this analysis, incomes are reported both at the individual and household level. To analyze differences by income level, individual and household income deciles are used. Each population (household) decile contains 10% of Niagara Region's population (households).[7] The lower-bound income of each decile is the income of the person (household) within the decile with the lowest income, and the upper bound is the income of the person (household) with the highest income. The upper and lower bound of the income deciles used in this report are given in Table 1.

[5] Incomes are reported in 2015 dollars to ensure consistency with 2016 census data.
[6] Dissemination areas are small areas composed of one or more neighbouring dissemination blocks with a population of 400 to 700 persons.
[7] Using Regional income deciles enables meaningful comparisons within the larger Region.

Figure 3 Average and median individual income by age, 2016

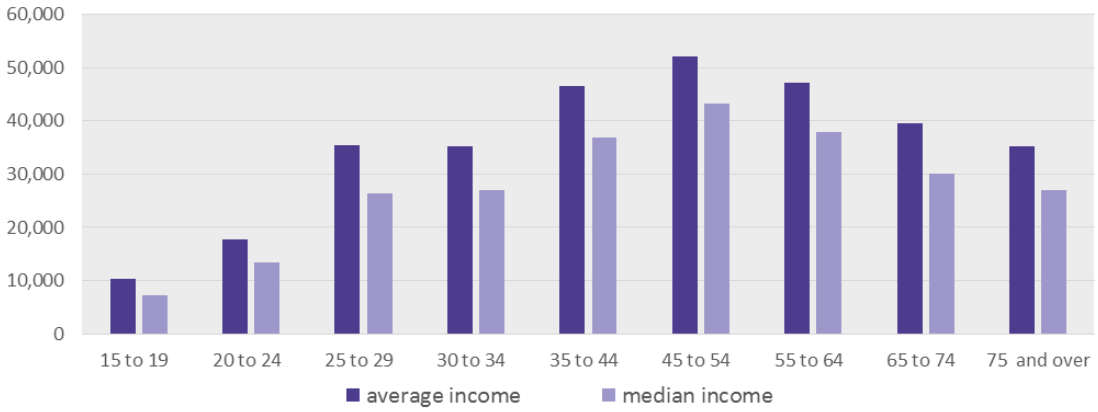


Figure 4 Median income by dissemination area, 2016

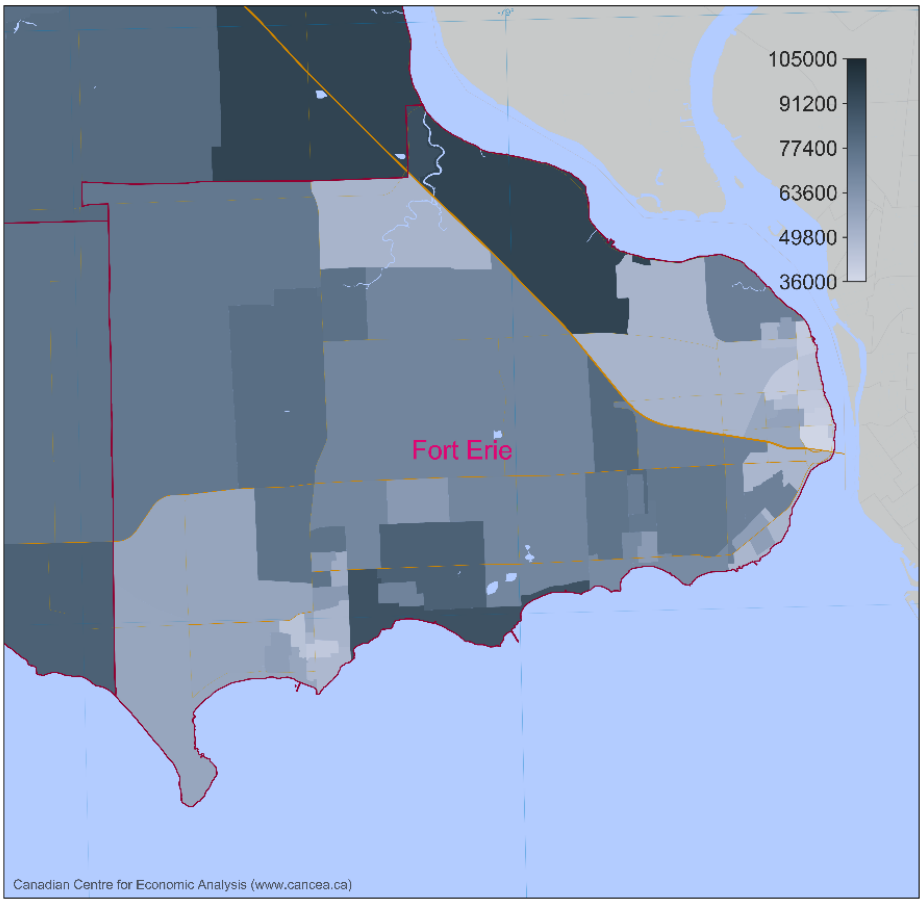


Table 1 Individual and household income deciles in Niagara Region, 2016

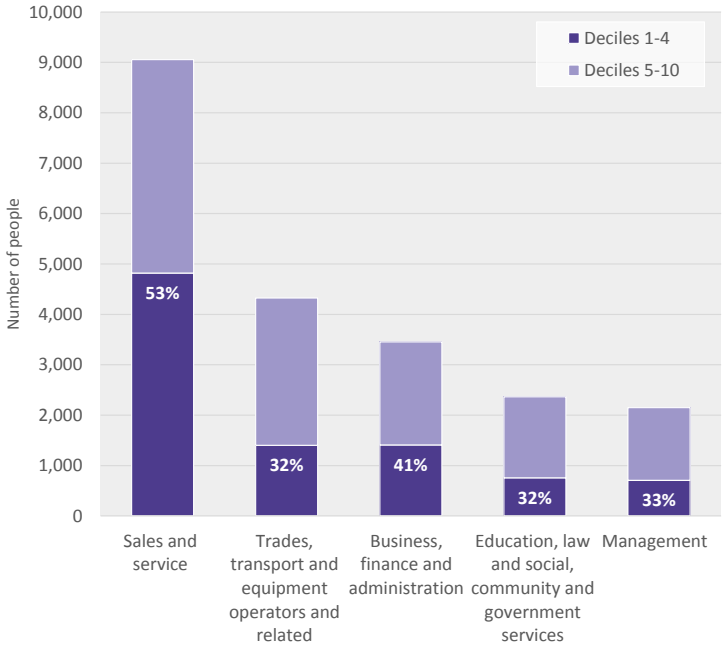
	Individual Income	Household Income
Decile 1	Less than $8,900	Less than $19,400
Decile 2	$8,900 to $13,999	$19,400 to $29,499
Decile 3	$14,000 to $19,099	$29,500 to $39,799
Decile 4	$19,100 to $24,799	$39,800 to $52,699
Decile 5	$24,800 to $31,399	$52,700 to $68,399
Decile 6	$31,400 to $38,999	$68,400 to $84,299
Decile 7	$39,000 to $48,999	$84,300 to $101,199
Decile 8	$49,000 to $62,799	$101,200 to $122,199
Decile 9	$62,800 to $85,799	$122,200 to $155,899
Decile 10	$85,800 or more	$155,900 or more

2.2.1 OCCUPATION

In Fort Erie, there are twice as many residents that report having an occupation in sales and service[8] as in the next most common occupation type. People in these occupations are more concentrated in lower income deciles than those in any other occupation type. In fact, over half of the people in sales and service occupations (about 4,800) have individual incomes below $24,800, placing them in the lower 4 individual income deciles. The five main occupation types are illustrated in Figure 5.

[8] This category contains retail and wholesale sales occupations and customer and personal service occupations related to a wide range of industries, such as accommodation and food service, travel, tourism, and cleaning services. See the National Occupational Classification (NOC) 2016 Version 1.0 on the Statistics Canada website for the full list of definitions of occupation types.

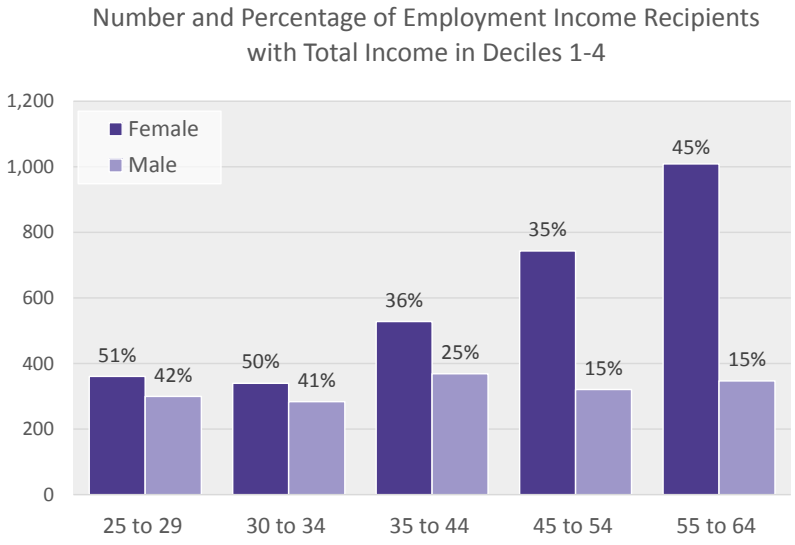
Figure 5 Main self-reported occupation types, 2016



2.2.2 EMPLOYED, LOWER-INCOME POPULATION CHARACTERISTICS

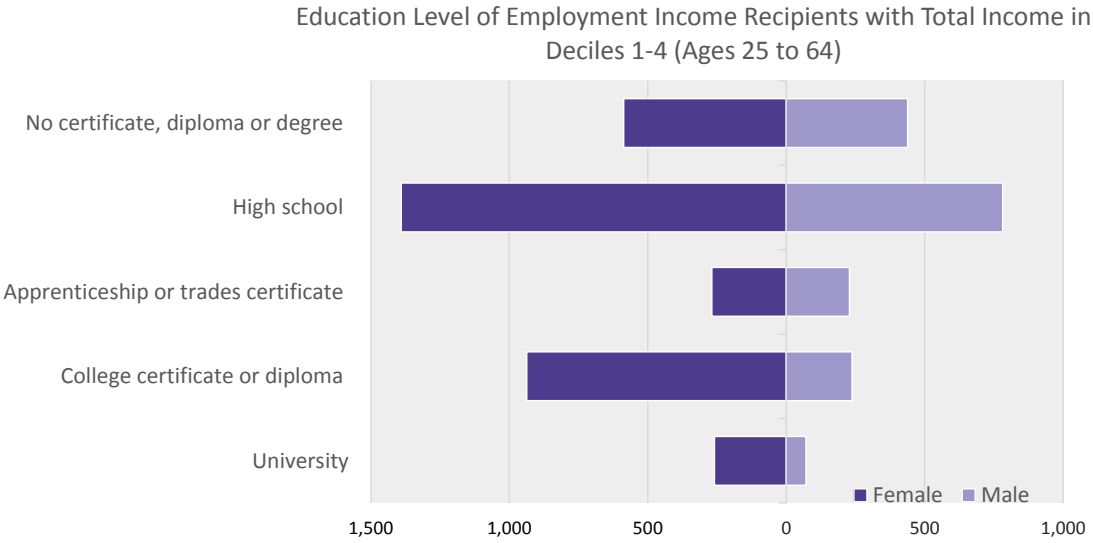
The population of employment income-earners whose total income is in the lower 4 deciles skews female. The discrepancy between the share of all men and women with employment income whose total income is in the lower 4 income deciles increases with age, as shown in Figure 6.

Figure 6 Gender and age of employment income recipients with a total income in deciles 1 to 4, 2016



The maximum educational attainment of most of the population whose total income is in the lower 4 deciles[9] is a high school certificate, followed by a college certificate or diploma and no certificate or diploma. The subset of this population with a college certificate or diploma or at least some university skews significantly more female than the population with other educational attainment levels (see Figure 7).

Figure 7 Education level of individuals with a total income in deciles 1 to 4 by gender, 2016

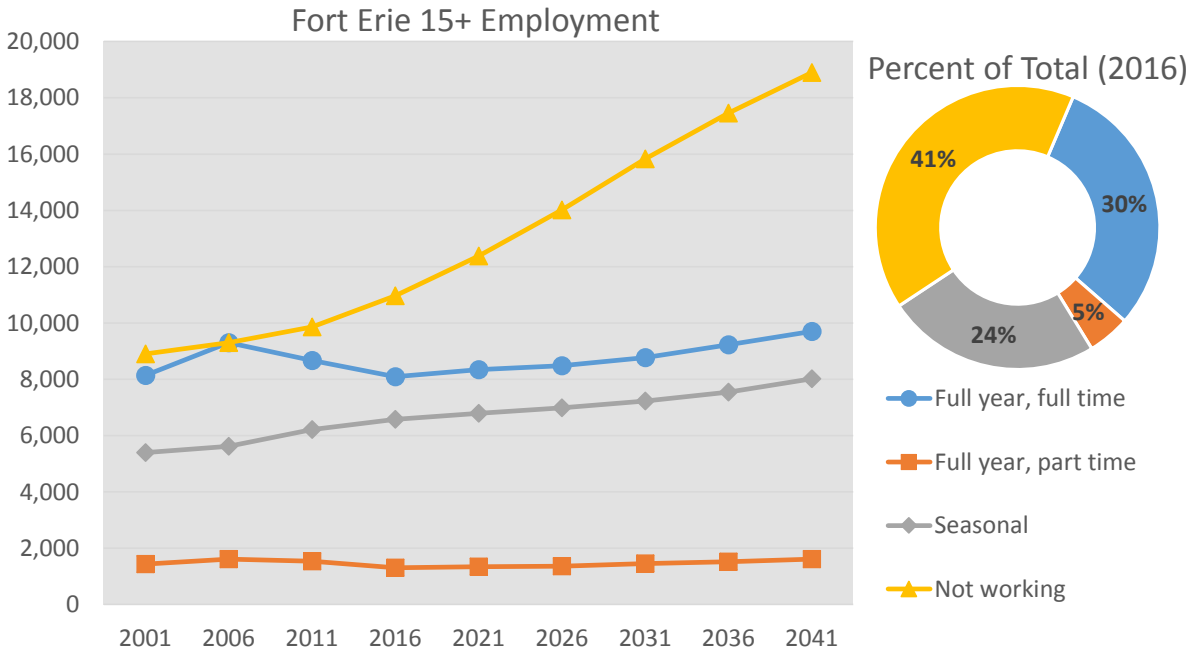


2.2.3 EMPLOYMENT INTENSITY

The Town of Fort Erie is seeing an increasing trend in the share of people who do not work, which correlates to the demographic aging of the population. Fort Erie increasingly has more people who are not working than people employed in full-time work. In parallel, the local dependency ratio – the proportion of residents aged 15 or younger and 65 and older relative to those in their working years (15 to 65) – will also increase.

[9] This population also includes individuals who do not receive employment income and is therefore slightly larger than the population represented in Figure 6.

Figure 8 Employment trends and projections, 2001-2041



2.3 Concluding Remarks

The population of Fort Erie is undergoing a demographic shift that parallels that of Niagara Region. People who are 65 years and older represent a much greater share of the population of the Town than the provincial average, which is also causing household sizes to be smaller. This has implications for housing demand. As the population ages, households may require smaller dwellings with fewer bedrooms and increased convenience and accessibility features.

Another important cross-section of the population includes those employed in sales and service occupations, which is the main occupation type reported by residents of Fort Erie. Since these occupations tend to be associated with lower wages, this population may have more difficulty finding housing that fits their needs and their budgets. Given the importance of the tourism sector to Fort Erie and Niagara Region as a whole, an inability to house this population may have implications for the local labour market and therefore the Town's economic prosperity.

3.0 HOUSING STOCK AND NEED

3.1 DWELLING TYPES AND TENURE

Fort Erie consists primarily of low-density housing. The most common dwellings are single-detached houses, which represent 83% of the Town's housing stock. The composition of Fort Erie's housing stock by dwelling type is presented in Table 2.

Table 2 Housing stock by dwelling type, 2016

Dwelling Type	Number	Percent of Total
Single-detached	10,572	83%
Semi-detached	246	2%
Duplex Apartment	483	4%
Row house	258	2%
Apartment 5 stories or less	872	7%
Apartment over 5 stories	290	2%

Ownership is the main form of tenure found in Fort Erie; four out of five households own their dwellings. The majority of the rental housing stock is concentrated on the east side of the Bridgeburg Neighbourhood near the Niagara River with a secondary pocket located in Crystal Beach. Little to no rental stock exists outside of these areas (see Figure 9). Apartments are much more likely to be part of the rental stock, whereas single-detached houses are more commonly owned. Over nine in ten units in apartment buildings are rental properties, whereas only one in ten single-detached house is part of the rental stock. The household types most likely to be renters are single-income-earner households, namely lone-parent and single-person households, as shown in Figure 10.

Figure 9 Rental stock by dissemination area, 2016[10]

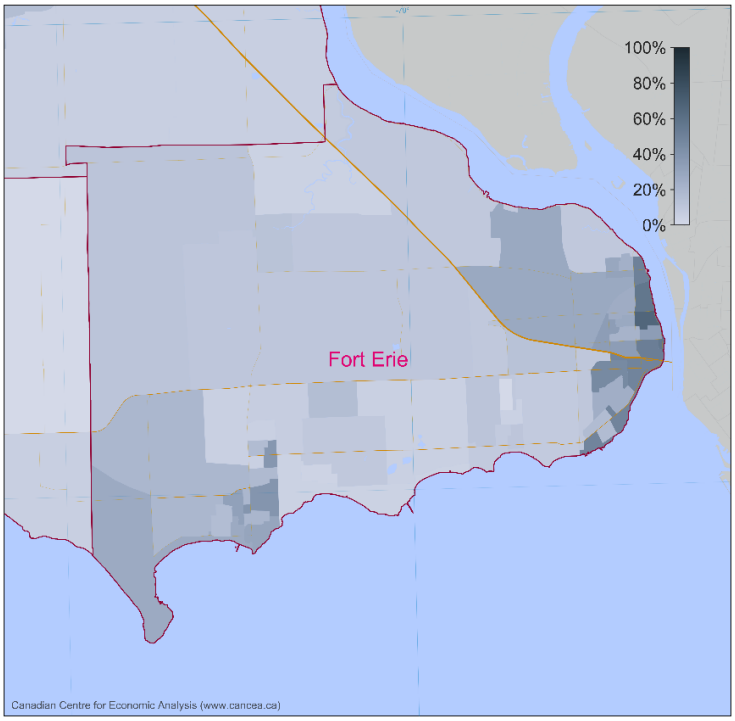
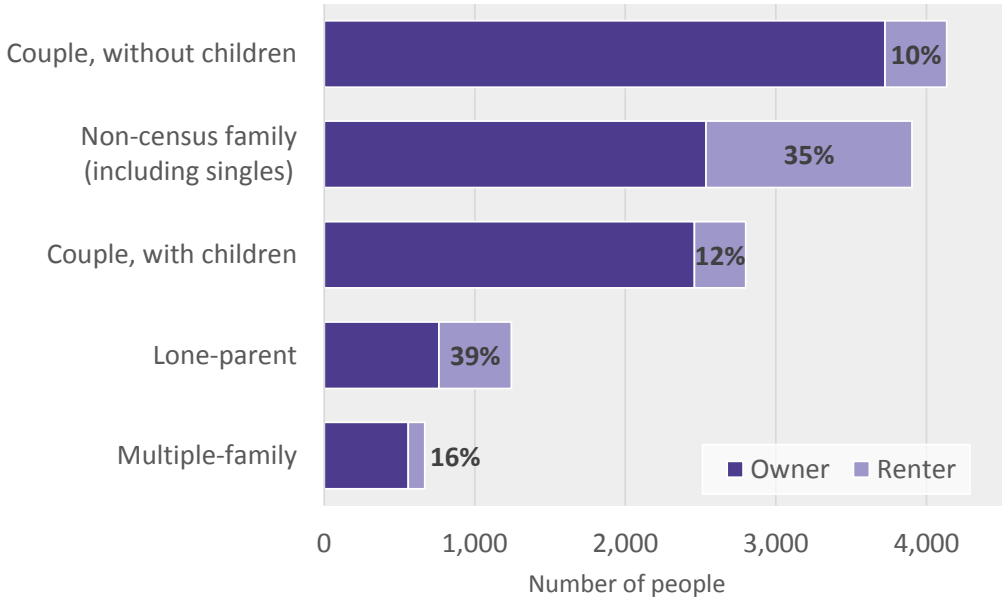


Figure 10 Tenure by household type, 2016



[10] When interpreting all maps in this report, note that DAs have a population between 400 and 700. This results in rural DAs taking up more visual space on the map, as rural municipalities have fewer DAs that are much larger in area while having approximately equivalent populations to geographically smaller DAs in city centres.

3.2 SHELTER PRICES

3.2.1 OWNERSHIP

In the 2001 to 2016 period, the median self-reported values of single-detached houses and other dwelling types have nearly doubled in Fort Erie. On average, this is an annual increase of about 4.5%. The average market price[11], in comparison to the median self-reported value, reflects the prices of the subset of the housing stock that is newly built or resold. In Fort Erie, the average market price for a dwelling in 2018 was $368,500, which is 9% lower than the average market price across Niagara Region. Market prices have increased by 31% between 2016 and 2019 in Fort Erie, which is a trend similar to that seen in Niagara Region as a whole. The increases have been uneven year over year, with the largest increase happening between 2016 and 2017, and 2019 saw a slight decrease compared to the previous year (see Table 4). Considering the limited number of real estate transactions that occur in Fort Erie every year[12], this is to be expected, as every transaction will have a large impact on the average market price reported for that particular year.

Table 3 Self-reported dwelling values, 2001-2016

Year	Single-detached house	Other
2001	$120,006	$120,059
2006	$167,939	$150,144
2016	$229,712	$232,654

Table 4 Recent market prices, 2016-2019

Year	All Dwelling Types	Change from previous year
2016	$272,680	-
2017	$338,867	24%
2018	$368,490	9%

3.2.2 RENTAL

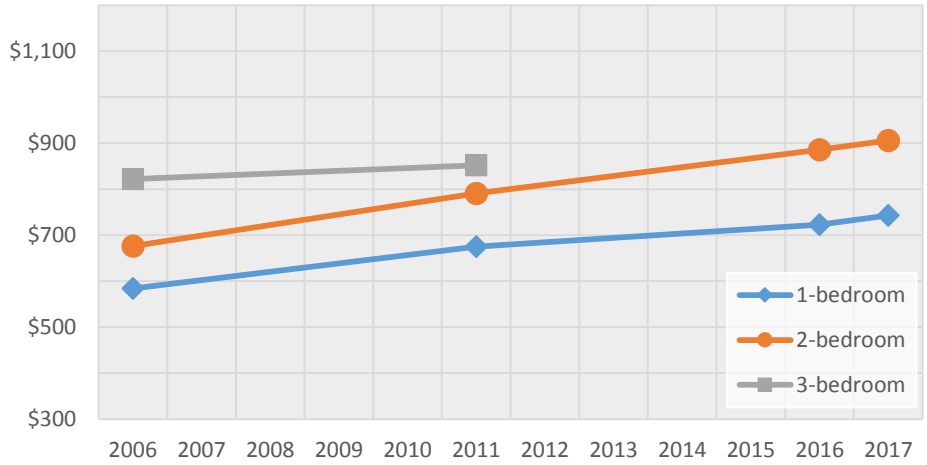
In 2017, the average rent in Fort Erie for a one-bedroom apartment was $743, which is 10% lower than the average rent in Niagara Region for a comparable apartment. Average rents reported by CMHC include rents paid by all tenants in the rental market, including long-term tenants whose rents may be below market. The trends in average rents by number of bedrooms in Fort Erie are shown in Figure 11. Between 2006 and 2017, the average rent for a 1-bedroom apartment increased by 27%. Average rents are generally higher than market rents, since new tenants will generally be charged a higher rent compared

[11] All housing market price data was obtained from the Niagara Association of Realtor's monthly market reports, available on the Niagara Association of Realtor's Website. Accessed April 4th, 2019.

[12] On average, 630 real estate transactions took place annually in Fort Erie between 2016 and 2018, according to Niagara Association of Realtor's monthly market reports.

to what a long-term tenant would pay, and only a subset of all rental units are put on the market in any given year.[13]

Figure 11 Average rents by number of bedrooms reported by CMHC (as available), 2006-2017[14]



3.2.3 AFFORDABLE HOUSING UNITS

There are 539 affordable housing units available in the Town of Fort Erie, which represents 6% of the affordable housing units in Niagara Region as a whole. Affordable housing units in Fort Erie include public housing units operated and managed by Niagara Regional Housing; non-profit and cooperative housing programs; and rent supplement units (Table 5 provides a breakdown by type and mandate). Almost half of the units are mandated for families and nearly one quarter for seniors[15].

Table 5 Affordable housing units by mandate and type, 2019

	Family	Senior	Aboriginal	None	Adult	Total
NFP/Coop	202	91	96	0	0	**389**
NRH Owned	54	40	0	0	22	**116**
Rent Supplement	0	0	0	34	0	**34**
Total	**256**	**131**	**96**	**34**	**22**	**539**

3.3 HOUSING NEED

3.3.1 CORE HOUSING NEED

Core housing need is the standard indicator of housing need in Canada used by CMHC and Statistics Canada. A household is considered to be in core housing need if its dwelling does not acceptably meet its

[13] Market rent data is unavailable for Fort Erie.
[14] Annual market rents for three-bedroom apartments are only available from CMHC up to 2011 for Fort Erie.
[15] Applicants aged 55 years and older are eligible for senior housing.

needs, i.e. it is either too small[16], in a major state of disrepair or too expensive given its budget, and there is no alternative acceptable housing that would cost less than 30% of total household income. Core housing need affected a total of 1,810 households in Fort Erie in 2016. Of this number, about 1,430 are single-person households and 309 are lone-parent households.

Figure 12 Core housing need, share by household type, 2016

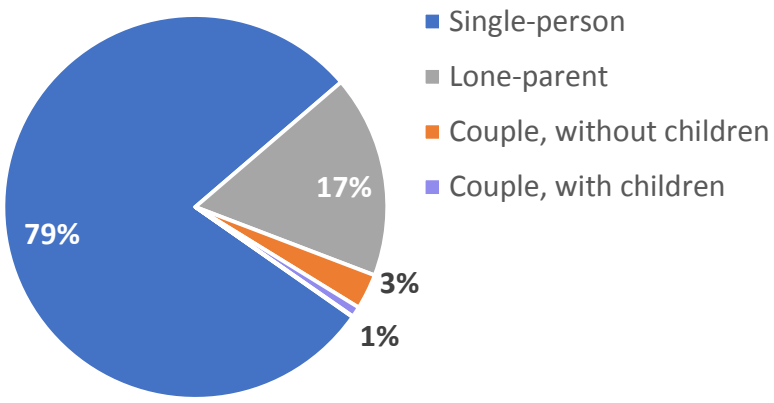


Table 6 Households in core need by household type, 2016

Household Composition	Rate of Core Need	Households in Core Need	Suitable Housing
Single-Person Households	37%	1,430	Bachelor or 1 bedroom
Lone-Parent Households	25%	309	2 or more bedrooms
Couples without Children	1%	54	1 bedroom
Couples with Children	1%	16	2 or more bedrooms

As shown in Table 6, the household types most vulnerable to core housing need are single-person and lone-parent households:

- Over one-third of single-person households are in core housing need.
- One-quarter of lone-parent households are in core housing need.

[16] This is calculated based on the National Occupancy Standard. The number of bedrooms required by a household is derived according to the following (if household members meet more than one criteria, the first conditions listed take precedence over the subsequent): a maximum of two persons per bedroom; household members living as part of a married or common-law couple share a bedroom; lone parents have a separate bedroom; household members aged 18 or over have a separate bedroom; household members under 18 years of the same sex share a bedroom; household members under 5 years of the opposite sex share a bedroom if doing so would reduce the number of required bedrooms. The exception to the above is a household consisting of one person living alone. Such a household would not need a bedroom, i.e. they may live suitably in a bachelor apartment.

Breaking down housing need by tenure, we find that:

- Renters represent almost half of all households in core housing need, despite there being almost four times more owner than renter households in Fort Erie; and
- Renters experience higher rates than owners of all core housing need indicators (housing unaffordability, unsuitability and inadequacy).

Of the indicators of core housing need, affordability is the main challenge in Fort Erie. One-quarter of households spend over 30% of their total income on housing and are therefore considered to be living in unaffordable housing.

Figure 13 Core housing need indicators by tenure (number of households), 2016

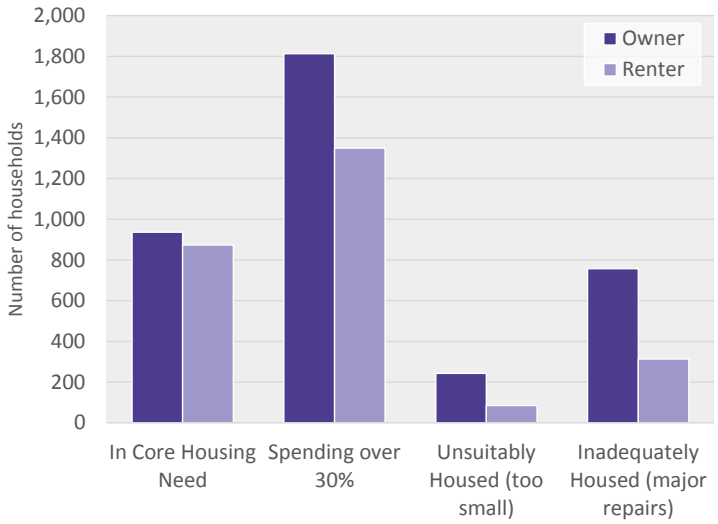
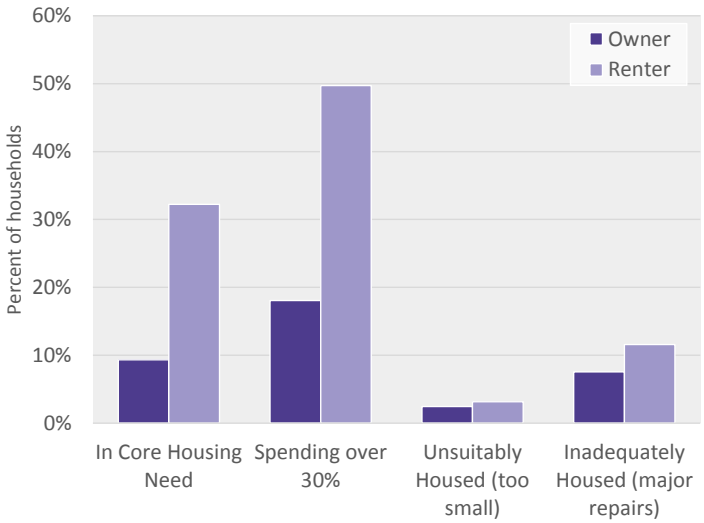


Figure 14 Core housing need indicators by tenure (percentage of households), 2016



Core housing need affects households across all age groups, with tenure and household income level being the main determinants, as shown in Table 7 and Table 8. All households in core housing need have

a total household income below $39,800 (lower 3 income deciles), meaning that their monthly housing expenses must be under $995 if they are to be affordably housed.[17] Of these, 72% of households in core need are in the lower two deciles. These households cannot afford to spend $737 per month.

Table 7 Core housing need by age of household maintainer and tenure, 2016

Age Range	# in Core Housing Need	% of Households in Core Need	Renter Households in Core Need	% Renter Households in Core Need
under 25	61	34%	61	43%
25 to 34	178	16%	123	31%
35 to 44	245	16%	124	34%
45 to 54	332	13%	137	25%
55 to 64	428	14%	164	32%
65 to 74	320	13%	119	31%
75 and over	246	13%	146	41%

Table 8 Households in core housing need by decile, 2016

Income Decile	Household Income level	Maximum Affordable Monthly Housing Cost	Households in Core Need
Decile 1	Less than $19,400	$485	678
Decile 2	$19,400 to $29,499	$737	623
Decile 3	$29,500 to $39,799	$995	509
Decile 4	$39,800 to $52,699	$1,317	0

Core housing need does not include homelessness. According to the Point in Time count conducted on March 27th, 2018 in Niagara Region, 625 people were experiencing homelessness in shelters, transitional housing programs and unsheltered locations in the Region as a whole. This included 144 children aged 15 or younger. Homelessness data for Fort Erie specifically is unavailable.

3.3.2 AFFORDABILITY

A household is considered affordably housed, according to Statistics Canada and CMHC, if it is spending less than 30% of gross income on shelter costs. This includes expenses to make shelter operational, e.g. rent, mortgage, condo fees, property taxes, and utilities. It does not include any transportation-related expenses such as car ownership or public transportation.

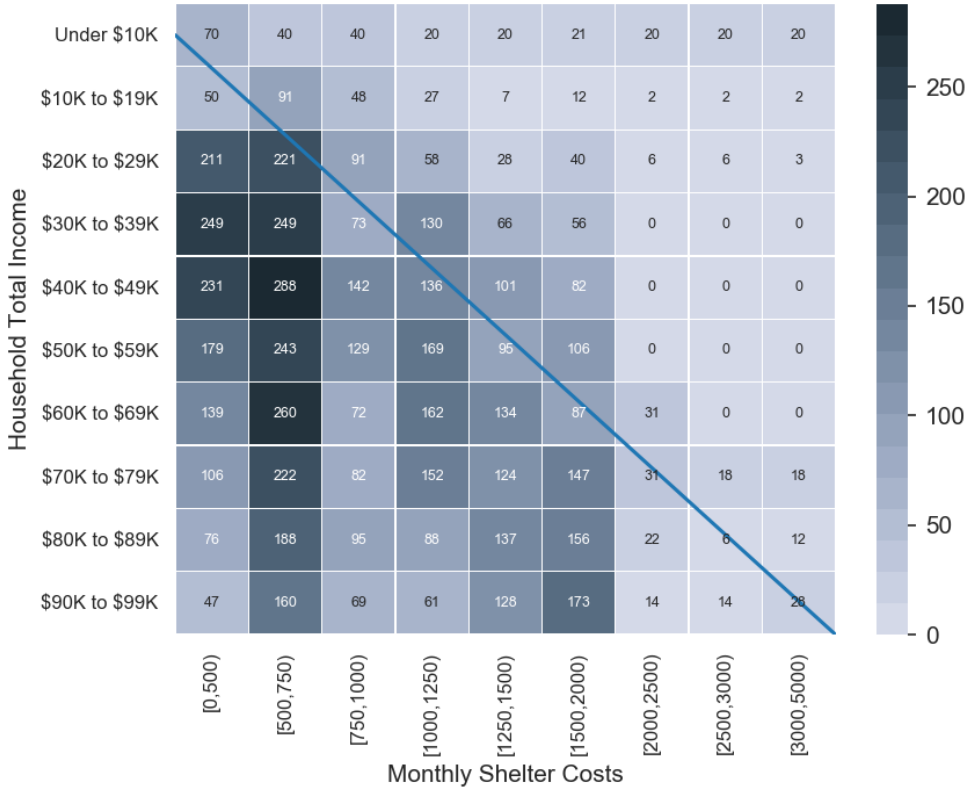
In the shelter affordability matrices in Figure 15 and Figure 16, household income is shown on the vertical axis and monthly shelter costs on the horizontal axis. The number in each square is the sum of households that have a specific combination of income and monthly shelter costs. The darker the square, the higher the number of households with that combination. The diagonal blue line represents the affordability

[17] This includes all costs required to make a shelter operational, e.g. rent, mortgage payments, property taxes, condo fees, utilities, etc.

threshold (shelter costs are 30% of total income), meaning that all households below the line are considered affordably housed.

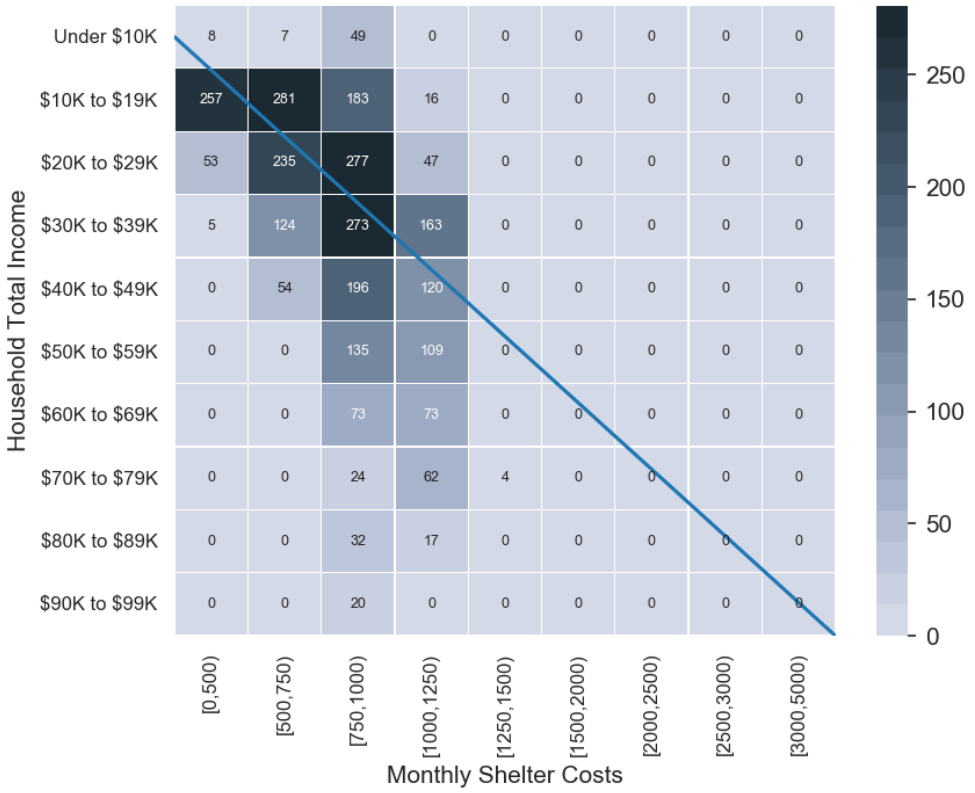
The concentration of household differs between the two figures – owner households are distributed across many income levels and are mainly found below the affordability threshold, while renter households are highly concentrated above the line and at household incomes below $40,000.

Figure 15 Affordability matrix – Owners, 2016



Note: Only households with incomes under $100,000 per year are included

Figure 16 Affordability matrix – Renters, 2016



Note: Only households with incomes under $100,000 per year are included

Renter households in Fort Erie live in an unaffordable dwelling at higher rates than owner households. One in two renter households in Fort Erie spends over 30% of income on shelter, compared to one in six owner households. Households spending over 30% of income are mainly concentrated in the urban centres of Fort Erie and Crystal Beach, as shown in Figure 17.

Figure 17 Percentage of households spending over 30% of income on housing by DA, 2016

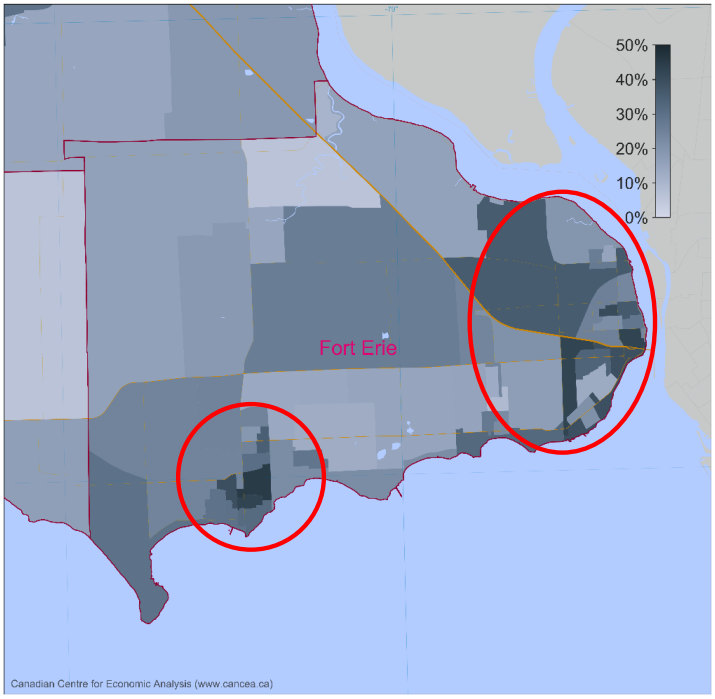


Table 9 Households spending over 30% of income on shelter, 2016

Household Type	Owners	Renters
Single person	33%	62%
Lone parent	30%	52%
Couple with children	13%	24%
Couple without children	11%	32%
All Household Types	18%	50%

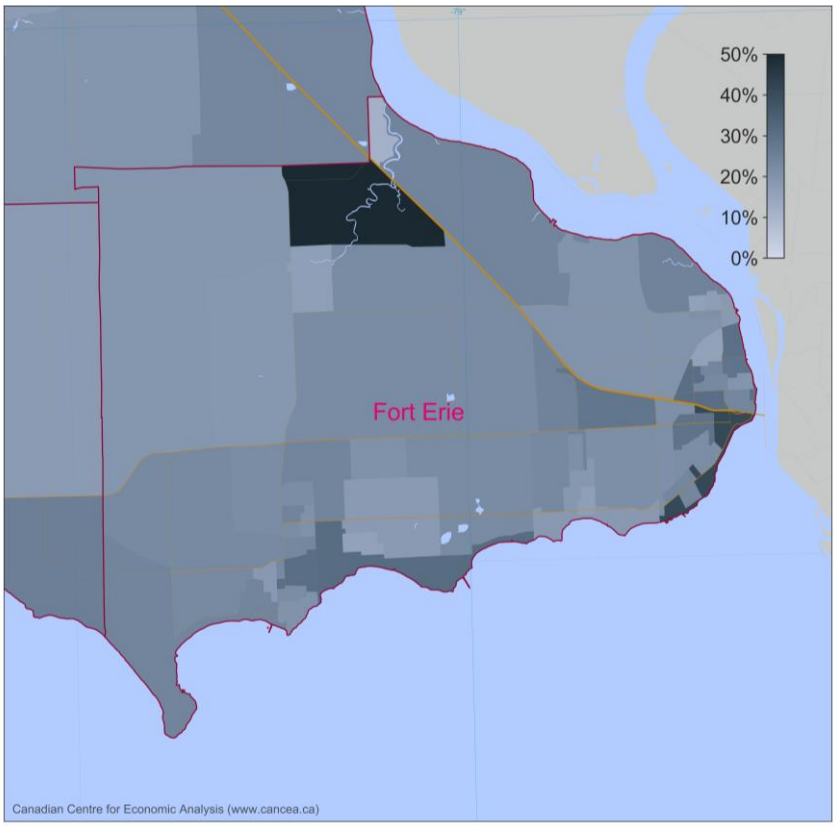
It is important to note that spending over 30% of household income alone does not necessarily indicate a need. For instance, some households may choose to spend a higher share of their income on housing to live in a particular dwelling or neighbourhood, or to have access to more bedrooms, despite there being an appropriate dwelling at a lower cost. Furthermore, households with lower incomes who have other sources of wealth or low monthly expenses may also willingly choose to spend a higher share of their income on housing.

3.4 Sub-Population Focus

3.4.1 Older Adults

In Fort Erie, 23% of the population is 65 or older, which is higher than the provincial average. This population resides mainly in low-density housing (81%). The percentage of the population aged 65 and older in Fort Erie is mapped by dissemination area in Figure 18.

Figure 18 Share of population 65 and over by dissemination area, 2016



The rate of core housing need among adults aged 65 years or older is 13%, which is in line with the Regional average and similar to the rate across the entire population. Within this group, segments of the older adult population that have higher rates of core need are:

- Single-person households, who comprise 92% of all older adult households in core need in Fort Erie.
- Renter households, who are 3.5 times more likely to be in core housing need than owners.

Table 10 and Table 11 highlight the higher rates of core housing need and spending over 30% of income on housing that single-person households face relative to all other household types in Fort Erie.

Table 10 Percent of older adult households in core housing need by age of maintainer, 2016

	Single-Person Households		Census Households	
Maintainer	Number	Percentage	Number	Percentage
65 to 74	285	36%	35	2.0%
75 to 84	141	23%	8	1.1%
85 and over	94	35%	3	1.3%

Table 11 Percent of older adult households spending over 30% of income on shelter by age of maintainer, 2016

	Single-Person Households		Census Households	
Maintainer	Number	Percentage	Number	Percentage
65 to 74	338	42%	244	14%
75 to 84	193	31%	60	8.2%
85 and over	111	41%	19	8.4%

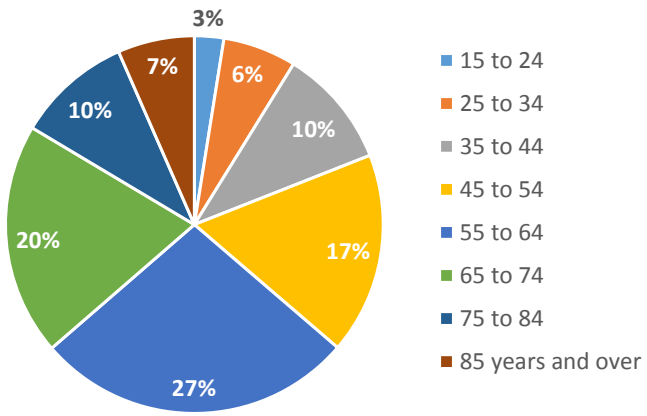
3.4.2 SINGLE-PERSON HOUSEHOLDS

Non-census households, which primarily consist of persons living alone, are the second most common household type in Fort Erie. They are also the great majority of households in core need, accounting for 1,430 of the 1,800 households in core need (79%) in 2016. In this population:

- About half are between 55 and 74 years old.
- About half are renters
- Rates of core housing need are between 20% and 50% for all age groups.

The breakdown of single-person households by age in Fort Erie is given in Figure 19.

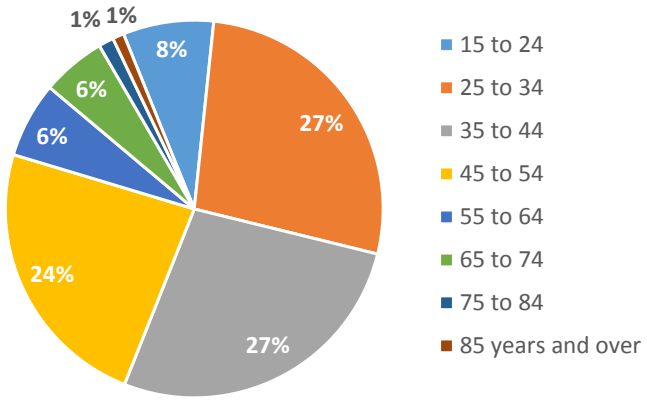
Figure 19 Single-person households in core housing need, 2016



3.4.3 LONE-PARENT HOUSEHOLDS

Lone-parent households are the second most likely household type to be in core need in Fort Erie. The Town counts a total of 309 lone-parent households in core housing need (17%). Of these households, three quarters are between the ages of 25 to 54.

Figure 20 Lone-parent households in core housing need, 2016



Core need and affordability are a challenge for both renter and owner households of this type, although renters have about twice the rate of core need of their owner counterparts.

3.5 CONCLUDING REMARKS

Fort Erie's rental and ownership stock differ considerably, with nine out of ten single-detached houses belonging to the ownership stock and nine out of ten apartment units belonging to the rental stock. Rental units are almost exclusively found in the more densely populated cores in Fort Erie. Housing prices have almost doubled since 2001, while the rent for a one-bedroom apartment has increased more slowly by 27% in that same timeframe. Housing prices and rents continue to be lower than the Regional averages.

According to the most recent figures, core housing need affects 1,810 households in Fort Erie across all age groups, all of whom are in the lower three household income deciles. In Fort Erie, core need is driven mainly by affordability challenges. It mainly affects renters and single-earner household types (single-person and lone-parent households), reflecting that housing need in the area is mainly a challenge of affordability. It is also important to note that core housing need and affordability have limitations as indicators of true need. For instance:

- Core housing need does not include the homeless population.
- Core housing need does not include any households who live long-term in spaces that are not counted as dwellings by the census (e.g. motels).
- Suitability, or the minimum bedroom requirement of a household, is context-dependent.
- Affordability can overstate need (some people spend more by choice).

4.0 POLICY RECOMMENDATIONS

4.1 RISKS AND REWARDS OF PURSUING DIFFERENT GROWTH TRENDS

The housing and population trends presented in this report can be influenced by municipal housing policy. Housing policies affect the Town's growth, which will impact the population age and composition over the coming decades and have implications on the Town's economic development. The growth scenario analysis presented in this section highlights the implications of maintaining the current rate of growth ("status quo growth"), pursuing a slower growth trend ("slow growth"), or pursuing the growth trend that will lead to the achievement of the MCR population targets ("target growth").

4.2 TARGET GROWTH: FORT ERIE IN 2041

4.2.1 DWELLINGS

As shown in section 3.1, the majority of Fort Erie's housing stock is composed of single-detached houses. Reaching the target mix of dwellings requires a higher construction rate than the average over the last five years across all dwelling types except single-detached houses. Figure 21, Figure 22 and Figure 23 show the projected stock of single-detached houses, semi- and row housing units and apartment units, respectively, under each growth scenario. The black bar in Figure 21 represents the small oversupply of single-detached homes under status quo construction rates relative to the target. In the following two figures, the black bar shows the expected shortfall in units in the status quo scenario compared to the target by 2041. The magnitude of the shortfall or oversupply (represented by a negative number) for each housing type is listed in Table 12 below.

Figure 21 Single-detached housing stock, historical and scenario projections

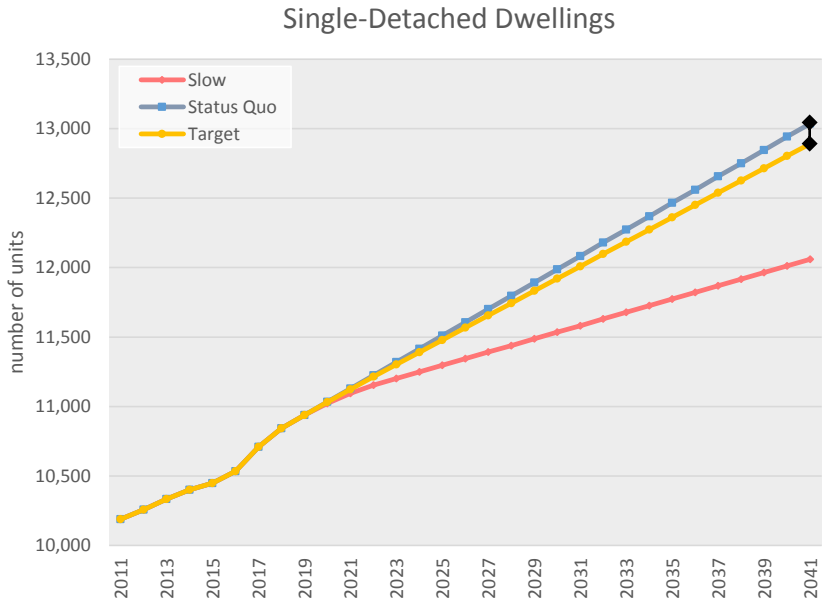


Figure 22 Row and semi-detached housing stock, historical and scenario projections

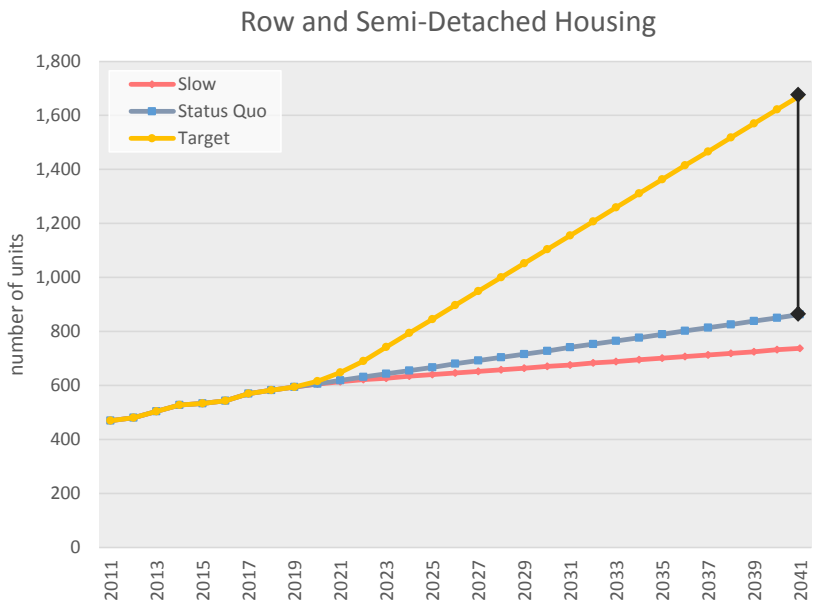


Figure 23 Apartment housing stock, historical and scenario projections

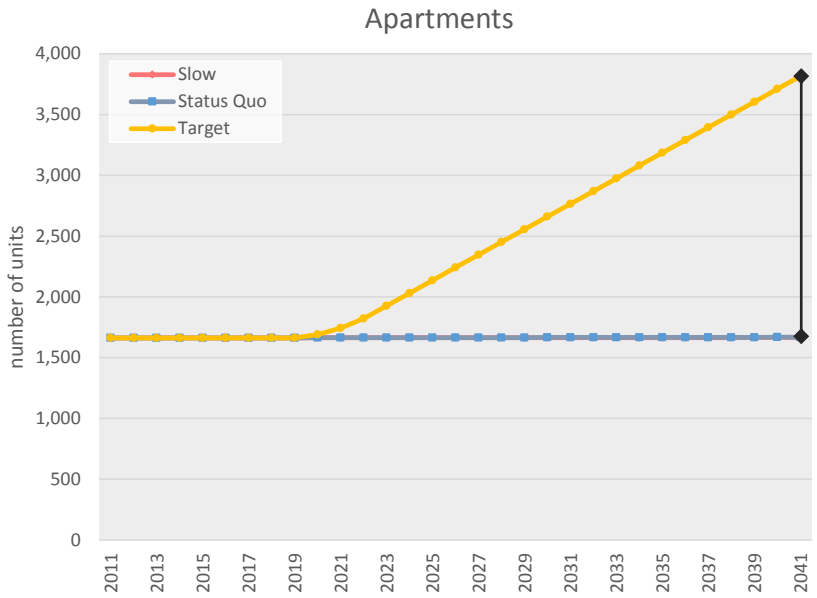


Table 12 Number of units required to hit 2041 targets by dwelling type and projected shortfalls

Dwelling Type	Additional Units Required to Reach Target (2019-2041)	Shortfall under Status Quo	Shortfall under Slow Growth
Single-Detached	1,950	-150	850
Row- and Semi-Detached	1,100	800	950
Apartment	2,150	2,150	2,150
Total	5,200	2,800	3,900

The figures show that currently, Fort Erie's growth rate is closer to the slow growth scenario than it is to target growth. If Fort Erie is to continue on the current growth trajectory, the largest shortfall could be seen in the number of apartment units. To reach the target number of apartments, about 2,150 units are required by 2041.

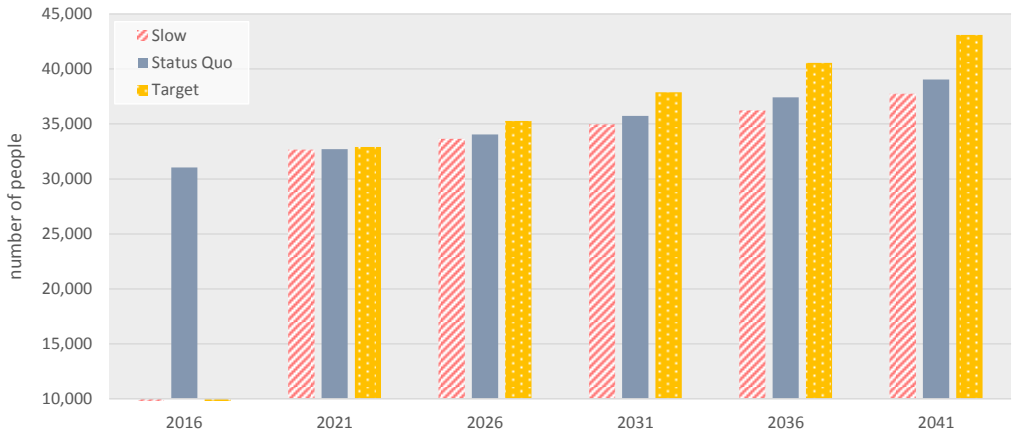
4.2.2 HOUSED POPULATION

Different housing types can accommodate different household configurations, as discussed in section 3.3.1 (see Table 6). Housing types tend to correlate with number of bedrooms and size. For instance, although it is technically possible to build a one-bedroom single-detached house, it is much more common for these to be built with at least three bedrooms. On the other hand, apartment units are generally built to accommodate smaller household sizes. Middle-density type housing, such as semi-detached and row housing tends to fall somewhere in between and can accommodate a variety of household types. For these reasons, the housing stock that is built in Fort Erie over the next two decades will influence the type of population that the Town attracts and retains.

Given that the model used in this analysis takes into account household formation and migration patterns both within and outside of Niagara Region, this analysis can reveal the likely characteristics of households in Fort Erie under different growth scenarios. Using historical demographic data, additional characteristics such as age, occupation and incomes can also be inferred. The converse is also true, scenario analyses can reveal the characteristics of the people and households that may not be able to live in Fort Erie in the future due to the constraints imposed by the number and types of dwellings available.

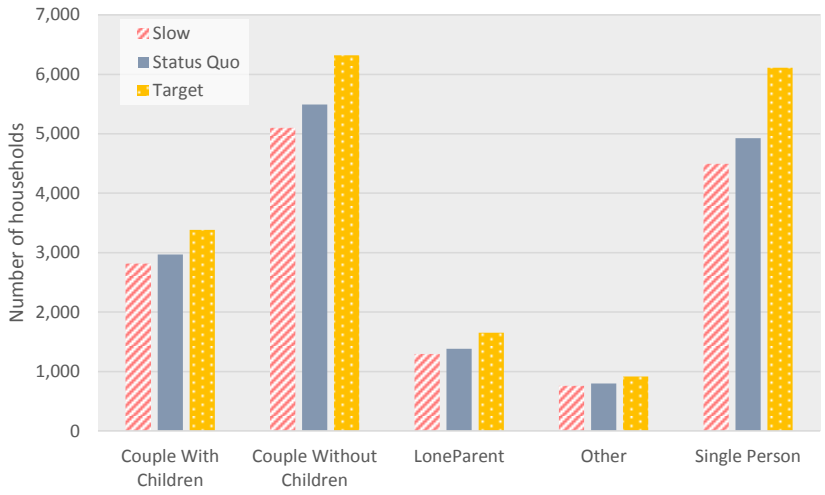
Under the target growth scenario, Fort Erie's population could reach 43,100 by 2041, which is equal to 18,400 households. The target population is 39% larger than the current population (44% household growth). The total population that can be achieved under different growth scenarios is presented in Figure 24. At current trends, Fort Erie's population in 2041 would be over 4,000 people under target.

Figure 24 Population growth by scenario, 2016-2041



In 2041, the types of households that will reside in Fort Erie will be influenced by the Town's total growth rate. Under status quo growth, there are far fewer single-person households than under target growth. At 1,180 fewer households (19% lower than target growth), the difference is the largest for single-person households than for any other type of household. In terms of the number of people, the largest difference is in members of couple with children households, since these consist of three or more individuals.

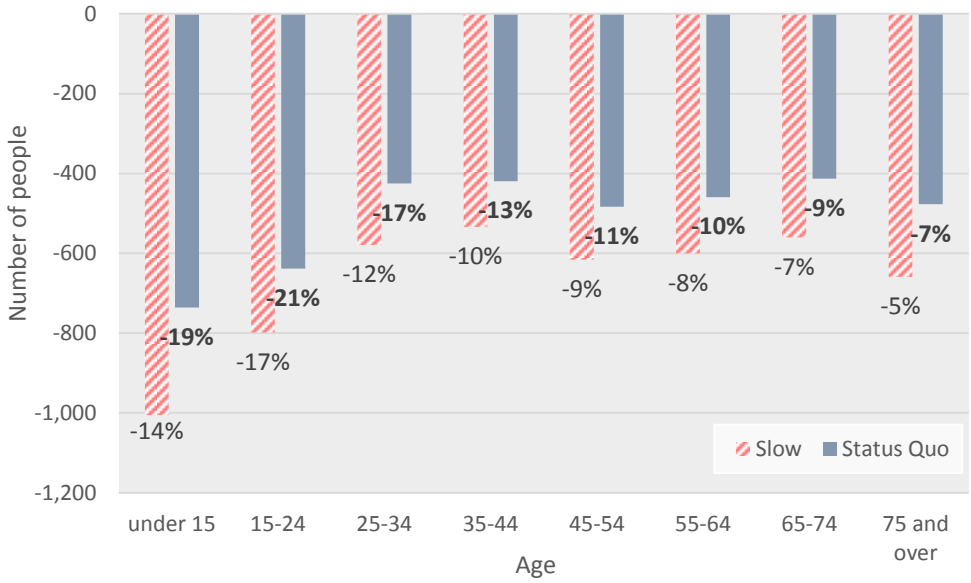
Figure 25 Number of households by household type, 2041



Looking towards the future, it is also helpful to consider the demand pressures from outside the Town of Fort Erie. Depending on the Town's future housing stock, Fort Erie may not be able to accommodate all households who would like to live there, which would put pressure on local housing prices and rents. Under all growth scenarios, unmet demand would consist primarily of single-person households, followed by couples without children and couples with children. Similarly, the rate of growth can affect the future age composition of Fort Erie's population. Slower growth trends tend to skew the population older. The difference between the number of people in each age cohort in 2041 in the slow growth and status quo scenarios compared to the target scenario is shown in Figure 26 along with the percentage by

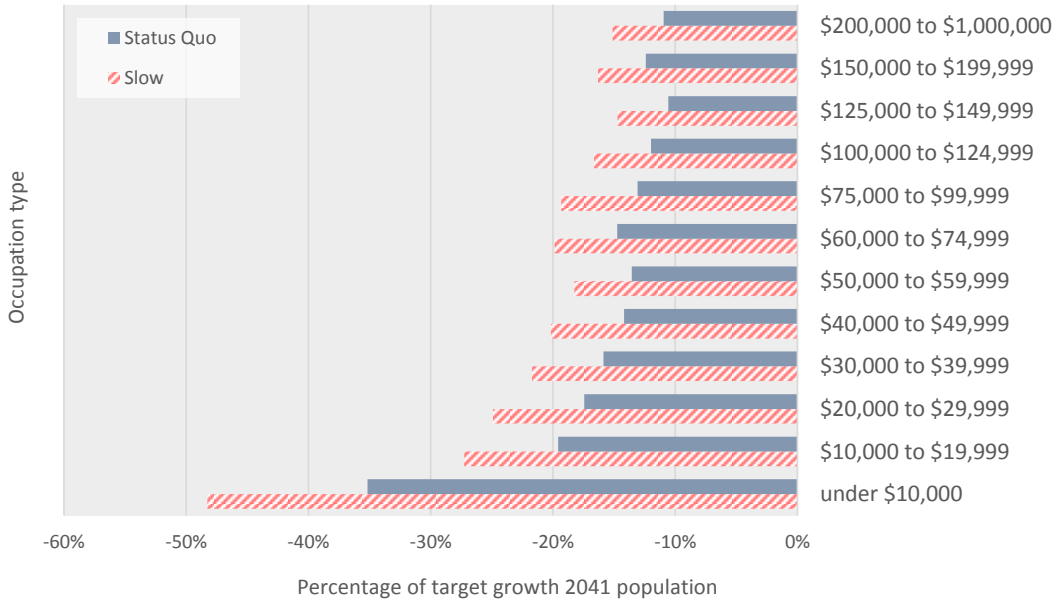
which each cohort's size is smaller than the target. This shows that slower growth rates will precipitate the aging of the population.

Figure 26 Difference in population relative to target, number and percentage, 2041



Growth policy can also have an impact on the income distribution and the labour supply of Fort Erie because income (and therefore ability to afford housing) tends to be correlated with occupation type. For instance, many service jobs are paid the minimum wage, while occupations in education, law and government tend to be salaried. Comparing the status quo growth scenario to the target, we find that the largest difference is in the number of households whose total income is under $30,000, and especially those with incomes lower than $10,000, as can be seen in Figure 27. Households in this income range are primarily single-person households, which may include students and young people at the beginning of their professional lives.

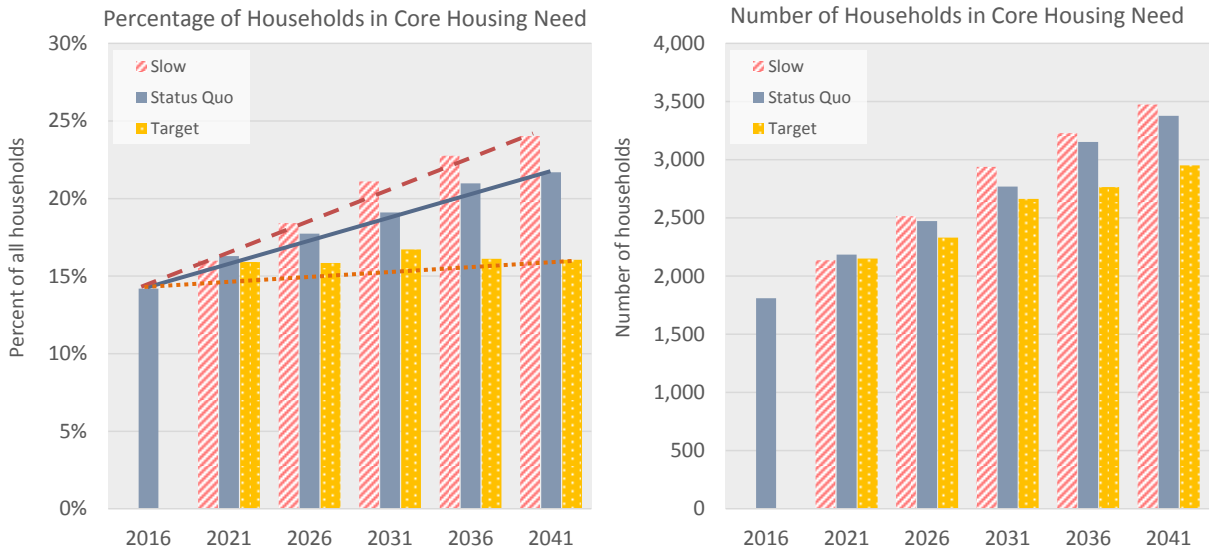
Figure 27 Difference in number of households by income compared to target scenario, 2041



4.2.3 CORE HOUSING NEED

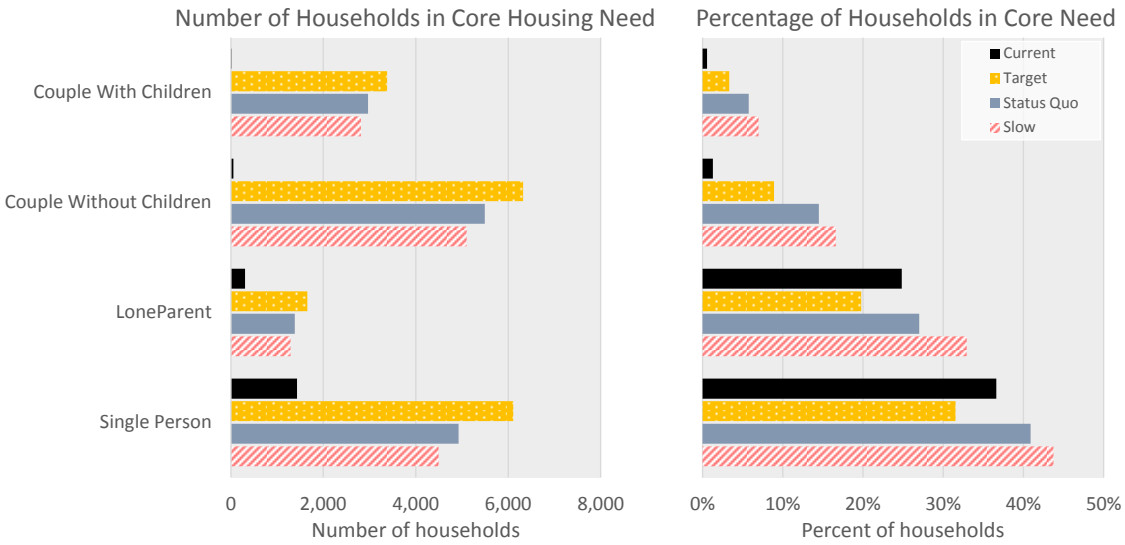
The number of households in core housing need is expected to increase along with Fort Erie's population. The scenario that minimizes the increase in core housing need from now up until 2041 is the target growth scenario. The expected number and percentage of households in core need from now until 2041 is shown in Figure 28. This shows that under status quo growth, the Town's rate of core housing need could increase from its current level of 14% to 22% and even reach 24% under slow growth.

Figure 28 Number and percentage of households in core housing need



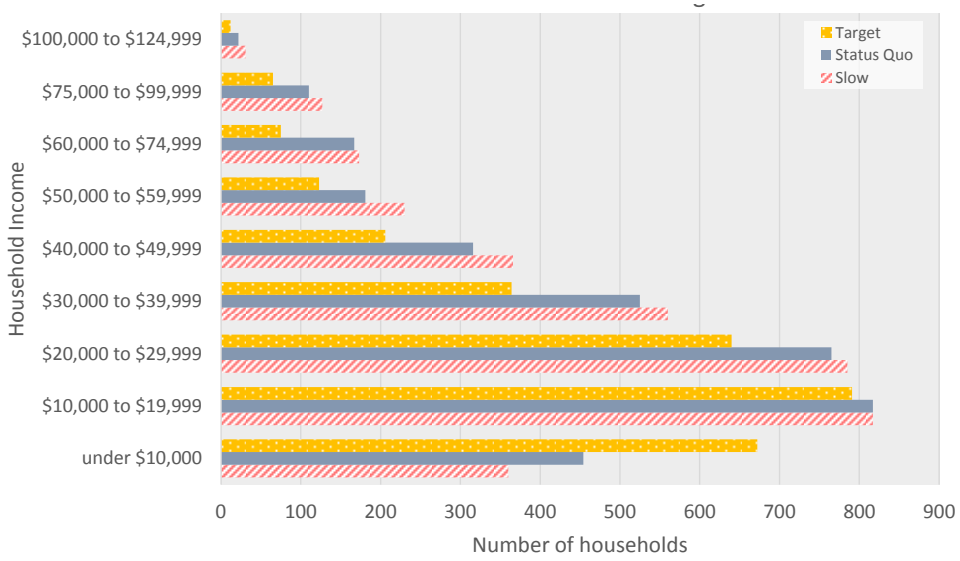
Single-person households will continue to be the household type with the greatest rate of core housing need, followed by lone-parent households in all scenarios, as shown in Figure 29. Under target growth, the rate of housing need of these two household types most vulnerable to core housing need could decrease relative to their current levels. However, under slow growth, the rate of core housing need among these households could increase beyond their current levels to 33% for lone-parent households and 44% for single-person households.

Figure 29 Number and percentage of households in core housing need, 2041



The income level at which households start feeling affordability pressures and become more vulnerable to core housing need is also influenced by growth policy. In scenarios where the stock of housing is lower, prices tend to increase due to the demand for housing being higher than the supply. This results in households with higher incomes falling into the core housing need category, while lower-income households may be displaced from or unable to move to Fort Erie. This could also increase the risk of low-income households becoming homeless or entering precarious housing arrangements that are not captured in census data or by the homelessness point-in-time count, such as couch surfing, living in a vehicle, or residing in low-cost hotel accommodations that are ill-suited to their long-term needs. The change in the income level of households in core housing need is shown in Figure 30.

Figure 30 Number of households in core housing need by income bracket, 2041



4.3 Consultation Feedback

As part of this project, CANCEA presented results from the housing analysis to the Town of Fort Erie Affordable Housing Committee to elicit feedback and gain a local perspective on the trends and patterns seen in the data and held a public open house to share these results with the community at large. A second consultation with the Affordable Housing Committee was held to discuss how the results of the growth scenario analysis can be used to inform housing priorities and policy decisions in the Town of Fort Erie. The main discussion points and takeaways from these sessions are summarized below.

4.3.1 Local Housing Affordability Pressures

The Affordable Housing Committee brought up a widespread concern that housing prices in Fort Erie are being driven up by buyers from outside Niagara Region who are attracted by the lower housing prices in the Town compared to elsewhere in the Region or to other parts of the Greater Golden Horseshoe. Additionally, as a destination for tourism, some homes in Fort Erie are being used for recreational purposes or as short-term rentals, effectively removing them from the housing stock and potentially putting upward pressure on local housing prices and rents. This concern is echoed in other local municipalities of Niagara Region. Monitoring and capturing data on the number of dwellings being used as short-term rentals or vacation homes is a required step to better identify the potential effect of this phenomenon on local housing prices and rents.

4.3.2 Housing Affordability and Economic Development in Fort Erie

Housing and economic development go hand-in-hand. A recurring theme during the consultations was the importance of income diversity to healthy communities. The availability of housing can shape a community's available labour force. For instance, a lack of affordable housing can make it challenging for people in lower-wage occupations to find housing close to where they work. This is a particularly

important concern for local economies reliant on tourism, an industry which employs many minimum-wage workers. The committee also discussed the importance of proximity (i.e. households with different income levels living in the same neighbourhood) to social cohesion, making people of different income levels feel equally part of the community.

Fort Erie's current housing priorities can affect its long-term economic development. Having a community vision can be important in harmonizing separate but related policies, such as housing, transportation and economic development. The committee discussed different ideas for what the community could look like in 20 years, and how to go about creating a unified vision. This can be a powerful way to create buy-in from different stakeholder groups and can be used to create a benchmark against which to measure progress and setbacks.

As the Town of Fort Erie plans for the future, residents' housing needs will reflect emerging economic trends. To get ahead of these trends, the Town can plan towards its comparative advantages, ensuring that the housing that is being developed meets the needs of the current and future labour force.

4.3.3 LOOKING AHEAD: PLANNING FOR FORT ERIE'S HOUSING STOCK IN 2041

Based on the findings of the housing needs study and the growth scenario analysis, the Affordable Housing Committee discussed the importance increasing the Town's overall housing stock to keep pace with expected future growth while diversifying the housing stock in order to meet the differing and evolving needs of the population. Diversifying the housing stock can include creating a greater mix of housing density, incentivizing the delivery of housing that meets affordability criteria for its residents in housing need and supplying additional rental housing.

Suggestions that were brought up in the course of the discussion to pursue these objectives included the following:

- Incentivizing mixed-income housing development by requiring developers to set aside a certain number of units for lower-income tenants which would be subsidized by the rent paid by other, higher-income tenants. This model is already in use in Niagara Region and Fort Erie.
- Increasing housing density through inclusionary zoning.
- Creating housing partnerships in the community with other stakeholders such as non-profit organizations to promote the development of affordable housing.
- Creating value for developers by understanding their business model in order to increase the overall supply of housing in the community.
- Increasing the productivity of the existing housing stock. This could mean developing housing that suits the needs of current residents who live in dwellings that are too large to suit their needs, thereby releasing larger units for growing families.

4.4 POLICY RECOMMENDATIONS

To reach the population growth targets set through the Municipal Comprehensive Review and minimize overall levels of core housing need, Fort Erie can consider adopting policies that incentivize the

development of a mix of housing to accommodate the future population, including a variety of housing densities, tenure and affordability levels, as well as right-sizing and maximizing the productivity of Fort Erie's existing housing stock. Suggestions of policies that could be well-suited to the needs of Fort Erie are listed by type and objective below.

4.4.1 REGULATORY APPROACHES

To increase the supply of medium- and higher-density housing stock, the Town of Fort Erie could consider:

- Adopting Official Plan policies stating that in larger residential developments, single-detached housing types must make up less than 40% of the total units in the development, as supported by the growth scenario analysis, thereby increasing the supply of higher-density types of housing such as row housing and multi-residential units.
- Consider adding a definition in the Official Plan and Zoning By-law for shared housing. This housing form could include group homes, rooming and boarding houses, supportive housing, special needs housing and other forms of housing where unrelated individuals choose to live together to share the cost and/or maintenance of housing. By having a broader definition of shared housing in both the Official Plan and Zoning By-law the Town can allow for the development of different models and innovative housing forms throughout the community without limiting development to traditional modes such as group homes or rooming houses.
- Consider revising the policies of the Official Plan to permit shared housing, which includes special needs housing, as-of-right in all residential areas and areas where dwellings are permitted[18] and review and update the Zoning By-law to ensure it matches the Official Plan policies with regard to allowing shared housing as-of-right in all areas where dwellings are permitted or currently exist. Ideally, supportive housing would be located near transit and other community services, but in some cases locating supportive housing in a rural or agricultural area can be therapeutic for residents and may be preferred by some people who enjoy a quieter rural lifestyle.[19] It is important to ensure that both the Official Plan and Zoning By-law allow for flexibility in where supportive housing is built as long as it meets health and safety standards, building code and any other applicable policies.

To incentivize the development of affordable housing units, the Town of Fort Erie could consider:

- Adopting Official Plan policies relating to the sale or lease of surplus municipal priorities that
    a. Give priority to the development of affordable housing; and

[18] For more information on this subject and for cases of municipalities in Ontario that amended their policies regarding supportive and group housing, see Roher, Jessica Simone. "Zoning Out Discrimination: Working Towards Housing Equality in Ontario." *Journal of Law and Social Policy* 25. (2016): 26-53. https://digitalcommons.osgoode.yorku.ca/jlsp/vol25/iss1/2

[19] See the Ministry of Municipal Affairs and Housing's Ontario Best Practices in Supportive Housing Guide for additional information and recommendations with regards to the provision of supportive housing.

    b. State that these properties will be provided at below market value for the development of affordable housing.

- Revising the Official Plan to include inclusionary zoning policies that require all new residential developments to include units for sale or rent at below-market rates, either on the same site or on a different site.

4.4.2 FINANCIAL APPROACHES

To increase the supply of affordable housing, the Town of Fort Erie could consider:

- Offering a property tax reduction for property owners who donate or lease properties at below-market rates to community agencies.
- Working with Niagara Region to provide property tax incentives, such as waiving Regional and local municipal portions of the property taxes for a set period for new rental and ownership housing developments that fall at or below a defined affordability threshold.
- Assessing the feasibility of providing incentives on a sliding scale for developers of affordable housing. These incentives would increase as the number of affordable housing units increases or as the affordability of these units deepens, e.g. larger incentives for affordable housing that is affordable to households in the third income decile or lower. Such incentives could include:
    a. Allowing greater height and/or density;
    b. Waiving development and/or building fees and charges in part or full;
    c. Streamlining the development and planning application process; or
    d. Relaxing parking requirements.
- Re-examining the Town's current development charges to ensure that second units (apartment-in-house) in new homes are exempt from development charges based on recent changes in provincial legislation.
- Consider the feasibility of establishing a Housing Reserve Fund[20] through Section 37 of the Planning Act and identifying other municipal revenue streams to finance affordable housing and purpose-built rental housing.

4.4.3 PARTNERSHIP APPROACHES

To increase the supply and affordability within the housing stock, the Town of Fort Erie could consider:

- Facilitating partnerships among owners of vacant homes and community agencies who may be able to buy or lease these homes on a long-term basis.

[20] A housing reserve fund is an account set up by a municipality to set aside and accrue funds for various affordable housing initiatives. More information can be found from the Ontario Ministry of Municipal Affairs and Ministry of Housing.

- Working with the Region of Niagara and Community Stakeholders to increase awareness and take-up among Fort Erie residents of the various Niagara Region and Provincial Housing programs related to housing and support services such as:
    a. Niagara Renovates;
    b. Welcome Home Niagara;
    c. Rent Geared to Income Program; and
    d. Rent Supplement and Housing Allowance.

To incentivize the diversification of the housing stock along with affordability, tenure or density dimensions, the Town of Fort Erie could consider:

- Developing an inventory of designated residential lands that are ideally suited to priority housing types from the Town's perspective and work with Economic Development to share this information with residential developers.
- Facilitating partnerships with the development community through a public-private partnership taskforce to encourage the private sector to take an active role in helping with the Town's defined housing challenges and providing the Town with input on existing barriers to the creation of affordable/rental/higher-density housing.

4.5 Timing of Policy Objectives

4.5.1 Short Term Objectives (1-3 Years)

The growth scenario analysis demonstrated that in order to achieve its population targets and minimize core housing need, the Town of Fort Erie would need to increase its development rate and shift towards the construction of more medium- and high-density housing types over the next two decades. Regulatory measures can be implemented in the short term in order to facilitate the gradual achievement of this target. This reduces the risk of the shortfall increasing over time and of having to change development course more abruptly in the medium- and long-term.

The measures that the Town of Fort Erie could consider taking in the short term to enable the gradual achievement of long-term targets include:

- Undertaking policy initiatives that encourage more medium and high-density development in the Town;
- Undertaking policy initiatives that require a percentage of all new construction be affordable;
- Working with Niagara Regional Housing to determine if any surplus municipal lands would be conducive to a regionally supported affordable housing project in the Town; and
- Updating the Official Plan to allow density bonusing for affordable housing units.

4.5.2 MEDIUM TERM OBJECTIVES (3-5 YEARS)

Developing initiatives to stimulate the development of affordable housing can enable the Town to work against the increasing housing costs that can drive up affordability pressures and core housing need in Fort Erie. Many of these initiatives may require additional research and coordination between many stakeholders, which may take longer than purely regulatory approaches. The following are initiatives that the Town of Fort Erie could consider taking on the medium-term to encourage the provision of affordable housing:

- Creating incentives for the development of affordable housing units;
- Exploring opportunities for incentives through the Development Charge By-law or other mechanisms such as a Community Improvement Plan;
- Creating a Housing Reserve Fund to support affordable housing initiatives in the Town; and
- Creating a public-private partnership taskforce.

4.5.3 LONG TERM OBJECTIVES (5+ YEARS)

As the Town of Fort Erie plans for the future, it is also important to remain aware of trends that are occurring outside the Town's boundaries that may influence the effectiveness of its policies and initiatives. A long-term objective for the Town may therefore be to monitor new developments and trends at the Federal, Provincial and Regional level in housing and to ensure that Town policies are reflective of these trends and provide a degree of flexibility on housing options.

4.6 CONCLUDING REMARKS

The growth scenario analysis demonstrated that if the current growth rate is maintained for the next two decades, Fort Erie risks falling short of its 2041 population target by 9% and the Town's rate of core housing need could increase by 53%. This could affect the Town's future population composition by speeding up the demographic aging of the Town's population and potentially limit the supply of labour in certain occupations, namely lower-wage sale and service roles.

Housing policy has the potential to affect the Town of Fort Erie's growth rate and to incentivize the development of a housing stock in line with the Town's priorities. Consultations with the Town's Affordable Housing Committee revealed concerns about rising housing prices and rents, and ideas were presented to increase the supply of affordable housing and increase the diversity of the Town's housing stock in order to "future-proof" it, i.e. creating a housing stock that can accommodate a range of needs. There are a number of different policies options that can help increase housing affordability in Fort Erie, diversifying the housing stock and ensuring the existing stock is used productively. These include a number of financial incentives to induce the development of priority housing types, the creation of stakeholder partnerships and amendments to the Official Plan and Zoning by-law.

5.0 KEY TAKEAWAYS

5.1 DEMOGRAPHIC PATTERNS AND TRENDS

Ontario is undergoing a demographic shift with the older adult population growing at a faster rate than younger cohorts, a trend which is well underway in Fort Erie. Already, there are more people over the age of 15 who do not work than people who work full-time, and this gap is expected to continue to widen over the foreseeable future. As the population ages, this is likely to affect the demand for housing. Older households are generally composed of two people or less and may have different accessibility needs relative to the rest of the population. If the composition of the housing stock does not change, older households wanting to stay in Fort Erie have limited options with regards to downsizing. This could keep older households aging in place in dwellings that are too large to suit their needs while growing families could face increased affordability pressures. Demographic and population data can help anticipate some of these evolving housing needs and can be used to determine the Town's housing priorities and policies.

Another important consideration when deciding on housing priorities is the interaction between housing and economic policy. The features of the local housing market, notably prices and available housing types can affect the Town's ability to attract labour to the area, especially for industries requiring minimum-wage labour, and to retain young people and growing families. Policies targeting housing, transportation and the economy can affect the type of growth that the Town will experience and can either exacerbate the demographic trends identified in this report or work to minimize them.

5.2 CORE HOUSING NEED

Currently, core housing need is the strongest available indicator of general housing need in the Town of Fort Erie. About 1,810 households are currently in core housing need in Fort Erie, meaning that about 14% of the population is affected. The key sub-groups most affected include:

- Low-income households who earn less than $39,800 a year;
- Renter households;
- Single-person households; and
- Lone-parent households.

The types of housing needed by most households in core need are:

- Bachelor apartments and one-bedroom units for single-person households;
- Family-friendly units with two or more bedrooms for lone-parent households; and
- Affordable housing – spending $737 a month on shelter is unaffordable for 72% of all households in core need.

Core housing need is at risk of increasing to 22% by 2041 if current growth trends persist. However, by increasing the rate at which housing is developed with an emphasis on medium- and higher-density housing, the target growth rate that minimizes core housing need could be achieved.

5.3 Planning for 2041

The rate at which Fort Erie builds new housing will not only affect the future population that the Town is able to accommodate, but also the ability of that population to live in dwellings that suit their needs and fit their budgets. The type of housing that is currently being built, i.e. primarily single-detached housing, is unlikely to meet the range of needs of the future population, which could significantly increase the rate of core housing need. The scenario analysis conducted as part of this study showed that reaching target growth requires the development of an additional 5,200 dwellings in total or 240 per year, 38% of which would be single-detached homes, 21% semi-detached and row housing and the remaining 41% apartment units.

Since housing in Fort Erie is primarily provided by the private sector through the market mechanism, the Town can both regulate the type of housing that is built through its Official Plan and create financial incentives for the development of priority housing types. Furthermore, the Town can facilitate partnerships with stakeholders to advance housing objectives that are common to multiple stakeholders.

Understanding the makeup of the community, grasping the extent of current housing need, and understanding how these are likely to evolve over time are the first steps to developing housing priorities that promote an economically sustainable and diverse community. Positioning Fort Erie relative to these objectives requires weighing the risks and rewards of the current growth trajectory and designing policies that can create incentives to shift this trajectory towards the Town's desired outcome over the next two decades.

A. GLOSSARY

Census Household: Contains at least one census family.

Census Family: Defined as a married couple or a couple living common-law, with or without children of either and/or both spouses; or a lone parent of any marital status with at least one child living in the same dwelling. Grandchildren living with their grandparent(s) but no parents are also considered a census family.

CMHC: Stands for Canada Mortgage and Housing Corporation, a Crown Corporation of the Government of Canada that acts as Canada's national housing agency.

Core Housing Need: According to CMHC, a household is said to be in core housing need if its housing falls below at least one of the adequacy, affordability or suitability standards and it 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 (meets all three housing standards). Housing standards are defined as follows:

> **Adequate housing** is reported by residents as not requiring any major repairs.
>
> **Affordable housing** costs less than 30% of total before-tax household income.
>
> **Suitable housing** has enough bedrooms for the size and makeup of resident households, according to National Occupancy Standard requirements.

Dissemination Area: A small area composed of one or more neighbouring dissemination blocks with a population of 400 to 700 persons. This is a geographical resolution used by Statistics Canada.

MCR: Stands for Municipal Comprehensive Review, a new official plan, or an official plan amendment, initiated by an upper- or single-tier municipality under section 26 of the Planning Act that comprehensively applies the policies and schedules of the Provincial Growth Plan.

Multiple-Family Households: Households that consist of two or more census families. There may also be persons who are not in a census family in this type of household.

National Occupancy Standard: A standard developed by CMHC through consultations with provincial governments which is used to determine the number of bedrooms required by a household in order to be suitably housed.

Non-Census Household: Comprises a single person or two or more persons in a non-census family.

Primary Household Maintainer: The first person in the household identified as someone who pays the rent or mortgage, the taxes, or the electricity bill, and so on, for the dwelling.