



Housing Needs Assessment

Perth County

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Table of Contents

	Page
Executive Summary	i
1. Introduction.....	1
1.1 Terms of Reference	1
1.2 Background.....	1
1.3 Policy Context.....	3
1.4 What is Affordable Housing?	5
2. Perth County Growth Trends.....	6
2.1 Population Growth Trends	6
2.2 Demographic Trends	9
2.2.1 Understanding the Key Components of Population Growth	11
2.3 Economic and Employment Growth Trends.....	14
2.3.1 Labour Force and Commuting Trends	14
2.4 Household Trends	17
2.4.1 Housing Tenure	18
2.4.2 Household Growth by Age and Size	20
2.5 Observations.....	23
3. Perth County's Housing Market	24
3.1 Perth County's Housing Continuum	24
3.2 Rental Housing Market	24
3.2.1 Vacancy Rate Trends	26
3.3 Ownership Market Housing.....	27
3.4 Publicly Funded/Non-Profit Housing	28
3.5 Housing Development Activity Trends	30
3.6 Housing Cost Trends	32
3.6.1 Housing Affordability	32
3.7 Housing Affordability Trends.....	35
4. Perth County's Current Housing Needs	36
4.1 Waiting List for Non-Market Housing	36



Table of Contents (Cont'd)

	Page
4.2 Core Housing Need	38
4.3 Housing Suitability	41
4.4 Homelessness	42
4.5 Observations.....	43
5. Assessment of Future Housing Needs.....	44
5.1 Demographic Factors Influencing Perth County's Future Housing Needs	44
5.2 Perth County Growth Outlook	46
5.3 Residential Supply Opportunities.....	48
5.4 Ten-Year Housing Needs	48
5.4.1 Forecast Housing Growth	49
5.4.2 Forecast Housing Affordability Needs.....	51
6. Addressing Perth County's Existing and Future Housing Needs	55
6.1 Housing Needs by Area Municipality	56
6.2 Observations.....	57



List of Acronyms and Abbreviations

Acronym	Full Description of Acronym
A.M.R.	average market rent
C.D.	Census Division
CMHC	Canada Mortgage and Housing Corporation
COVID-19	Coronavirus disease
km	kilometre
PHB	Portable Housing Benefit
P.P.S.	Provincial Policy Statement
P.P.U.	persons per unit
RGI	rent geared to income
Sq.km	square kilometre



Executive Summary

Overview

Perth County's Housing Needs Assessment provides a review and analysis of current and future housing needs to help inform the development of housing policies that are aligned to accommodate residential uses in the County and its area municipalities. The assessment considers macro-economic conditions, demographic trends, as well as regional and local real estate development trends that are influencing current housing trends across Perth County. This analysis will help inform the definition of market demand and assess the various other supply and policy-based factors that are likely to impact Perth County's housing needs over the next decade.

Context

The County has experienced strong population growth and demand for housing over the past five years. A range of demographic and economic factors is driving this shift, including growth in local employment opportunities, net migration, an aging population and affordability considerations. Over the next decade, Perth County is anticipated to experience continued strong population and employment growth.

To maintain well-balanced and healthy communities and ensure long-term sustainability, it is vital that municipalities offer a wide range of housing options to a broad range of income groups, including a provision for affordable housing. The availability of housing is a key factor in attracting and retaining people and businesses to a community. Providing a broad market choice in housing and housing affordability is an increasingly important consideration in Perth County and its area municipalities.

Provincial policy direction is increasingly focused on expanding housing supply and market choice to meet the existing and future housing needs of a growing and changing population. In 2022, the Ontario government introduced the *More Homes Built Faster Act (Bill 23)* which is part of a long-term strategy to address the provincial housing crisis by facilitating an increase in the housing supply and broader a mix of ownership and rental housing types for Ontarians.



Perth County's Housing Market

Perth County's 2021 housing base totals approximately 14,900 occupied dwelling units largely consisting of low-density housing (single detached/semi-detached) which accounts for 86% of total units.^[1] The County's housing base comprises approximately 4% and 9% medium- and high-density units, respectively. Perth County has a lower share of renter households than the provincial average, with 23% of housing units renter-occupied.^[2] There is a limited share of affordable and non-market housing in Perth County, with 97% of the county's total housing being market housing compared to 3% being publicly funded or provided by non-profit agencies.

Over the 2013 to 2022 period, Perth County averaged 243 residential units constructed per year. Housing growth has accelerated in the past five years, with an average of 333 units per year over the 2018 to 2022 period. Over the past decade, low-density housing construction has declined as a share of total housing development, with an increase in the share of high-density units (i.e., apartments, triplexes, quadplexes, and other multi-unit dwellings). Over the past five years, 68% of housing development activity occurred in North Perth, 18% in Perth East, 12% in West Perth, and 2% in Perth South.

Over the past five years, average housing prices and rental rates have increased at a faster rate than average household income growth, indicating an erosion in housing affordability in the local housing market over the period. The erosion of housing affordability has been most acute in the ownership market.

Perth County's Current Housing Needs

The current housing needs analysis suggests that Perth County has a structural deficit in housing supply that does not meet the needs of the current population from a household affordability lens. This includes an estimated 315 housing units that would be needed in the form of affordable rental housing to address the roughly 55 households that are currently homeless and not captured in the Census data, as well as approximately 260 households in severe core need. Addressing this deficit in affordable housing should be considered a high priority for the short and medium term.

^[1] Based on Statistics Canada. 2021.

^[2] Based on 2021 Census Profile data.



Perth County's Future Housing Needs

Population growth in Perth County will drive demand for a broad range of housing, including rental and affordable housing. Long-term population growth in Perth County will be heavily driven by net migration. To a lesser extent, natural increases (i.e., births less deaths) also contribute to population growth.

Perth County's population is aging. The County's 65+ age group has grown considerably over the past 20 years and is expected to increase in both percentage and absolute terms over the next several decades. As the average age of the county's population continues to increase, it is anticipated that the demand for higher density housing forms will also continue to gradually increase.

In addition, Perth County is also anticipated to accommodate a growing share of young adults and new families seeking competitively priced home ownership and rental opportunities. Accordingly, opportunities should be explored to provide a mix of future housing across a range of density types, to accommodate those with varying levels of income (including affordable housing options) within new greenfield areas and in priority intensification areas.

With respect to housing supply opportunities, Perth County has approximately 1,720 units in the residential supply pipeline. This includes, 1,210 (71%) low-density (single and semi-detached, and mobile homes), 235 (14%) medium-density (townhouses, stacked townhouses, and units in duplexes) and 270 (16%) high-density units. Of the identified residential supply, 98% (1,693 units) comprises market housing and 2% (27 units) is affordable housing.

Perth County is expected to realize household growth of approximately 3,200 housing units over the next decade (i.e., 2023 to 2033). Of this housing growth, 77% (2,460 units) is anticipated to be accommodated in North Perth, followed by 12% (370 units) in West Perth, 8% (240 units) in Perth East, and 3% (110 units) in Perth South. Accommodating this level of growth requires a range of housing by structure type and tenure. Of County-wide housing growth, rental housing is expected to account for approximately 38% of the total (1,200 units), while owner occupied housing is forecast to account for 63% (2,000 units).

The 10-year housing forecast by structure type and tenure has been further analyzed to determine the number of affordable vs. market-based units in each category. The



analysis demonstrates that 19% (610 units) of forecast housing growth between 2023 and 2033 is expected to require affordable housing.

Addressing Perth County's Existing and Future Housing Needs

Perth County requires approximately 3,515 units of new housing supply to meet the existing and future growth needs over the next decade. Annualized over a 10-year period, this represents an average of approximately 350 units per year.

Of the 3,515 housing units required to address the County's current and forecast 10-year housing need, forecast housing demand by tenure is projected to be 43% rental housing (1,515 households), including both primary and secondary rental dwellings, and 57% ownership (2,000 units). Of the housing need, 26% (925 units) are affordable units. To achieve this target, the County will require a balanced supply of active development applications at various stages of development. This includes a sufficient supply of purpose-built rental and affordable projects in response to increasing demand for affordable rental accommodation throughout Perth County.

Perth County currently has approximately 1,720 housing units in the development approvals process. The supply relative to demand for affordable units is not well aligned. Of the total housing supply, 2% comprises affordable units and 11% are for the market rental purposes, while the anticipated demand for affordable and market rental housing totals 26% and 30%, respectively.

Of the total 3,515 units required to address the County's current and forecast 10-year housing needs, 75% (2,365 units) are needed in North Perth, 14% (450 units) in West Perth, 9% (315 units) in Perth East, and 3% (95 units) in South Perth. Of the 925 affordable units need in the County, 680 (74%) are needed in North Perth, 105 (11%) in West Perth, 100 (11%) in Perth East and 40 (4%) in Perth South.

The County and its area municipalities will require a considerably greater supply of active market and affordable housing projects to be added to the development pipeline in an effort to meet current and future housing needs.

Meeting the short- and medium-term housing needs requires emphasis be placed on expanding the market and affordable housing to meet growing market demand. While the secondary market continues to be an important supplier of rental housing in the market, it is recognized that to significantly increase the supply of rental housing in the



market will likely require greater participation by the private-sector development community and non-profit organizations to construct affordable housing.

To achieve the housing mix (i.e., built form, tenure, and affordability) of housing development activity needed to meet the existing and future housing needs identified herein, the County and its area municipalities will need to consider the following factors in supporting/enabling a higher rate of residential development activity, with a particular effort in affordable housing in Perth County:

- **Quantum of Designated Developable Land Supply/Sites** – This includes designated greenfield lands and supporting infrastructure focusing on higher density development and promoting a range of infill/intensification opportunities including medium-density (“missing middle”) and high-density development as well as the development of secondary suites.
- **Regulatory Incentives** – This includes tools to assist in project feasibility through flexibility in the development approvals process (e.g., expedited processing), development permissions (i.e., building height, density), parking requirements, and design considerations.
- **Financial Incentives** – At the municipal level, this can focus on reducing the upfront financial obligations of the developer and/or reducing the operational costs moving forward.

To ensure the housing needs assessment remains current and reflective of housing needs in the community, consideration should be given to updating the needs assessment every three years.



1. Introduction

1.1 Terms of Reference

Perth County^[1] and its area municipalities (Municipality of North Perth, the Municipality of West Perth, the Township of Perth East, and the Township of Perth South) retained Watson & Associates Economists Ltd. (Watson) to prepare a Housing Needs Assessment. The primary objective of this assignment is to provide an assessment of current and future housing needs to help inform the development of housing policies that are aligned to accommodate residential uses in the County and the area municipalities.

The assessment considers macro-economic conditions, demographic trends, as well as regional and local real estate development trends that are influencing current housing trends across Perth County. This analysis will help inform the definition of market demand and assess the various other supply and policy-based factors that are likely to impact Perth County's housing needs.

1.2 Background

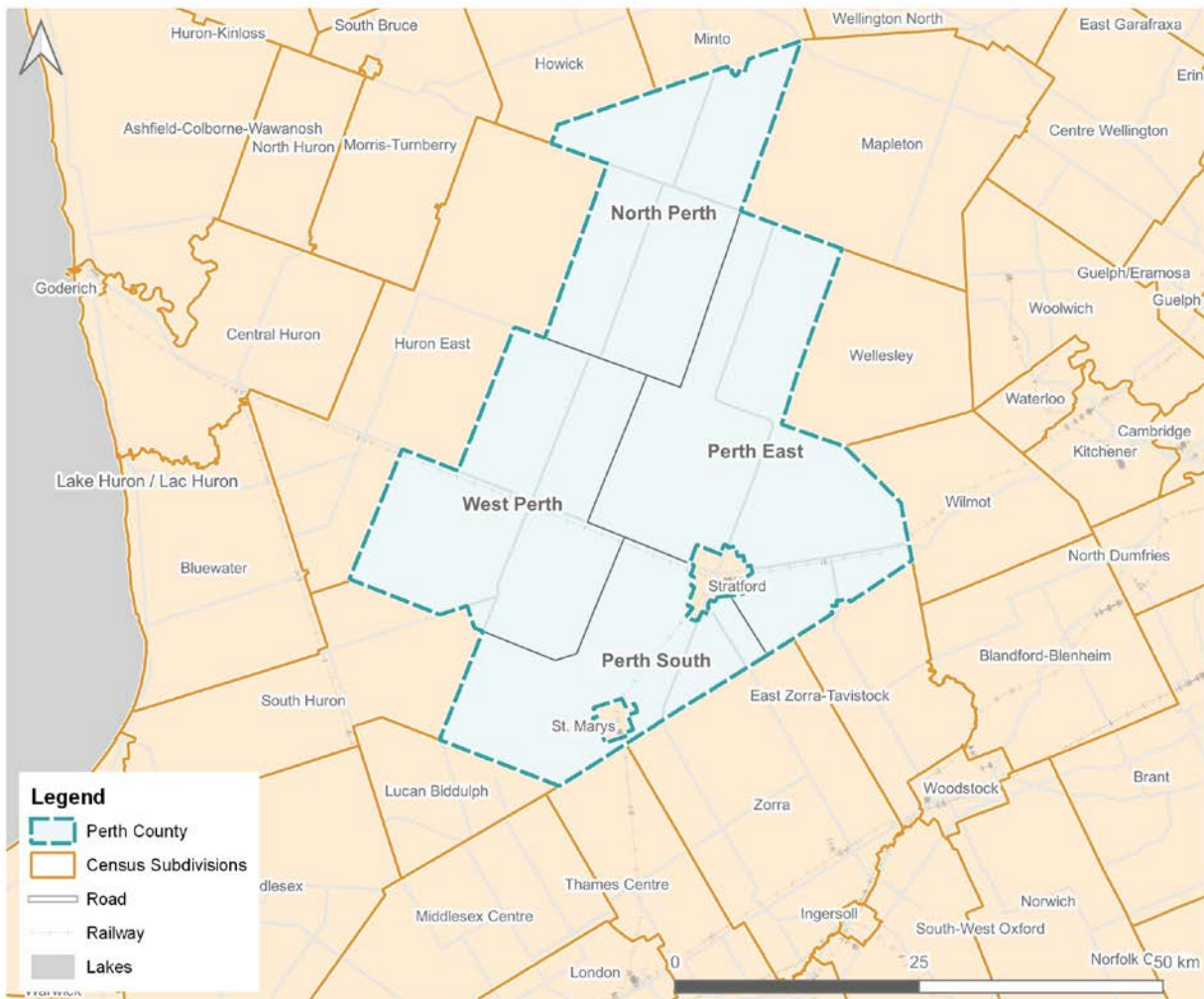
Perth County is located in southwestern Ontario, approximately 160 km west of Toronto and 100 km north of London. The County has a population of approximately 42,100^[2] and covers a land area of 2,180 sq.km. It comprises four area municipalities – Municipality of North Perth, Municipality of West Perth, Township of Perth East and Township of Perth South, as presented in Figure 1.

^[1] Unless otherwise stated, Perth County is defined herein to comprise the Municipality of North Perth, the Municipality of West Perth, the Township of Perth East, and the Township of Perth South. The City of Stratford and the Town of St. Marys are single-tier municipalities located in the Perth County Census Division but are independent from the County's government and not included in this housing needs assessment.

^[2] 2021 Statistics Canada Census. Includes Census undercount of approximately 2.8%.



Figure 1
Location Map



The County has experienced strong population growth and demand for housing over the past five years. A range of demographic and economic factors is driving this shift, including growth in local employment opportunities, net migration, an aging population and affordability considerations.

Over the next 30 years, Perth County is anticipated to experience continued strong population and employment growth. There are numerous economic benefits associated with population and employment growth related to economic expansion, community vibrancy, and an increasing tax base. On the other hand, new development can also create new challenges associated with infrastructure requirements, municipal service delivery, housing needs, and environmental protection.



To maintain well-balanced and healthy communities and ensure long-term sustainability, it is vital that municipalities offer a wide range of housing options to a broad range of income groups, including a provision for affordable housing. The availability of housing is a key factor in attracting and retaining people and businesses to a community. In an increasingly knowledge-based environment, the ability to cultivate, retain, and attract talented workers is increasingly important. Attracting and retaining people of working age and their families, which is necessary to support a broad range of employment opportunities, requires a diverse housing stock.

Providing a broad market choice in housing and housing affordability is an increasingly important consideration in Perth County and its area municipalities.

1.3 Policy Context

Provincial Policy Statement, 2020

The Provincial Policy Statement (P.P.S.), 2020 came into effect on May 1, 2020.^[1] Its purpose was to update the P.P.S., 2014 so that it worked together with changes to the provincial land use planning system that occurred around the same time. This included changes to the *Planning Act* through Bill 108, the *More Homes, More Choice Act* (2019) and the on-going updates to *A Place to Grow: Growth Plan for the Greater Golden Horseshoe* (the Growth Plan). Additional reasons for the update are largely related to the need to increase urban housing supply, support the economy and job creation, and to reduce barriers and costs to the land use planning system in order to provide greater predictability.

A significant change of the P.P.S., 2020 with regard to housing policy is the provision of a housing options approach to address an appropriate range and mix of housing, and to specifically meet market-based needs of current and future residents (policy 1.4.3). Providing for housing options adds broader considerations like ownership structures and housing program planning to built-form considerations. Housing options are defined as:

“A range of housing types such as, but not limited to single detached, semi-detached, rowhouses, townhouses, stacked townhouses, multiplexes, additional residential units, tiny homes, multi-residential

[1] Provincial Policy Statement, 2020. Under the *Planning Act*. Ontario.



buildings and uses such as, but not limited to life lease housing, co-ownership housing, co-operative housing, community land trusts, affordable housing, housing for people with special needs, and housing related to employment, institutional or educational uses.”

Throughout the P.P.S., 2020 there is strong encouragement to consider the housing market when addressing planning matters such as managing growth overall, identifying market-ready sites to improve economic development and competitiveness, and providing for a range and mix of housing options. Although this may assist with managing growth and development in a way that may more accurately reflect market realities, it could make it more challenging for municipalities to transition to other types of development forms with which they have not historically had considerable success in implementing. As such, while housing market demand is important when considering long-range, land use planning and housing objectives, this demand must be broadly considered within the context of broad provincial interests, namely: ensuring the efficient use of land, resources, and infrastructure; providing a clean and healthy environment for current and future generations; providing for affordable housing; diversifying the economic base; and supporting job creation.

Bill 23: *More Homes Built Faster Act, 2022*

On October 25, 2022, the Ontario government introduced the *More Homes Built Faster Act, 2022* (Bill 23). Following Bill 108 and Bill 109, Bill 23 is part of a long-term strategy to address the housing crisis by facilitating the construction of 1.5 million homes over the next 10 years. Bill 23 received Royal Assent by the provincial legislature on November 28, 2022. The Bill is intended to increase the housing supply and provide a mix of ownership and rental housing types for Ontarians.

To support the provincial commitment to getting 1.5 million homes built over the next 10 years, Bill 23 includes sweeping and substantive changes to a range of legislation through Bill 23, as well as through updates to regulations and consultations on various provincial plans and policies. Bill 23 exempts residential development with up to 10 residential units from site plan control approval. Furthermore, for developments that are subject to site plan control, Bill 23 limits the extent to which exterior design could be addressed through the site plan approval process. This identified need for additional housing relates to demand associated with both existing Ontario residents and newcomers to the Province through immigration.



In Bill 23, the Province of Ontario has assigned municipal housing targets, identifying the number of new housing units needed by 2031, impacting 29 of Ontario's largest and fastest growing single/lower-tier municipalities in Ontario. While Perth County and its area municipalities are not subject to specific municipal housing targets, it is important to recognize the emphasis the Province is placing on housing supply expansion more broadly.

Proposed Provincial Planning Statement, 2023

On April 6, 2023, the Province of Ontario released a new P.P.S. in concert with introducing Bill 97: *Helping Homebuyers, Protecting Tenants Act, 2023*. Bill 97 proposes amendments to seven provincial statutes, including the *Planning Act*. Bill 97 was introduced on April 6, 2023, and received Royal Assent on June 8, 2023. The proposed P.P.S., 2023 (anticipated to receive a decision by the Province in the fall of 2023) is intended to simplify and integrate existing provincial policies (the Growth Plan and the P.P.S., 2020) while providing municipalities and the Province with greater flexibility to deliver on housing objectives. A key focus of the proposed P.P.S., 2023 is that it recognizes that the approach for achieving housing outcomes will vary by municipality and, as such, it moves away from a prescriptive guideline approach.

1.4 What is Affordable Housing?

Affordable housing is defined in the P.P.S., 2020 as:

- “a) in the case of ownership housing, the least expensive of:
 - 1. housing for which the purchase price results in annual accommodation costs which do not exceed 30 percent of gross annual household income for *low and moderate income households*; or
 - 2. housing for which the purchase price is at least 10 percent below the average purchase price of a resale unit in the *regional market area*;
- b) in the case of rental housing, the least expensive of:
 - 1. a unit for which the rent does not exceed 30 percent of gross annual household income for *low and moderate income households*; or



2. a unit for which the rent is at or below the average market rent of a unit in the *regional market area*.”

In this report, the concept of housing affordability is reviewed in the context of provincial definition #1.

The term “affordable housing” and the definition presented in the P.P.S., 2020 have been removed in the proposed P.P.S., 2023. Instead, the proposed P.P.P., 2023 uses the more general term “housing affordability.” It is anticipated that an updated provincial definition of affordable housing that reflects income and market factors will be introduced with forthcoming changes to the *Development Charges Act*.^[1]

2. Perth County Growth Trends

The following provides an overview and analysis of the macro-economic factors, local market considerations, and socio-economic and demographic trends that are influencing housing ownership and rental housing demand, supply, and affordability.

2.1 Population Growth Trends

Demographic trends strongly influence both housing need and form. Across the Province, the population is getting older on average, due to the aging of the Baby Boomers.^[2] The first wave of this demographic group turned 75 years of age in 2021.

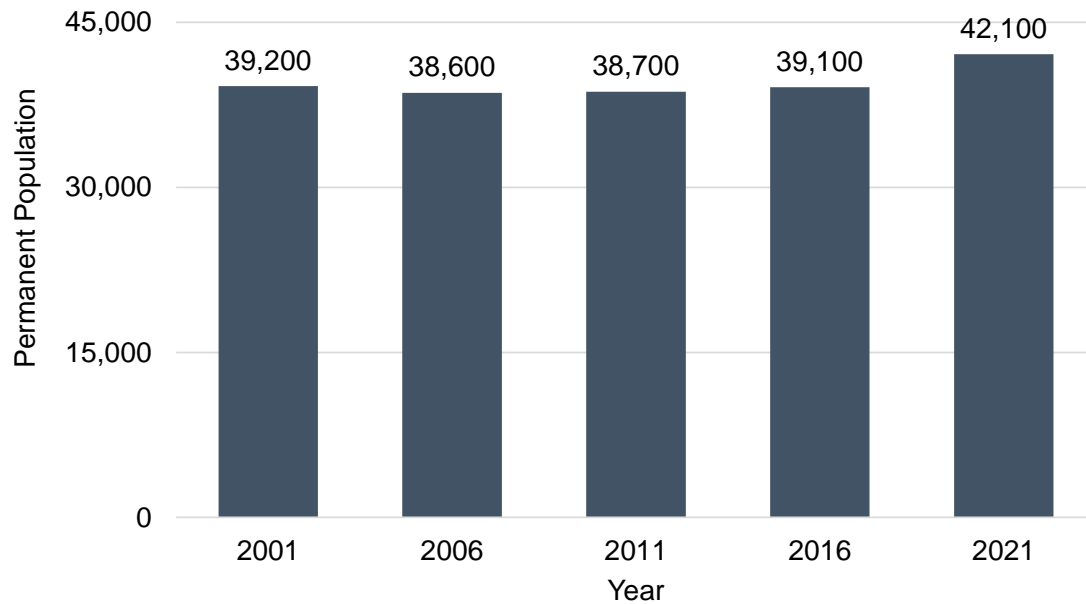
Figure 2 and Figure 3 summarize historical population growth rates for Perth County in accordance with Statistics Canada Census data. For comparative purposes, historical population growth rates have also been provided for the Province of Ontario. As illustrated, Perth County’s population base remained largely unchanged between 2001 and 2016. Over the 2016 to 2021 period, the County experienced strong population growth, with the population base increasing by approximately 8% (3,000 people) from 39,100 to 42,100. Over the 2016 to 2021 period, the population base within the County grew on average 1.5% per year, a faster rate than the Province of Ontario average of 1.1% annually during the same time period.

[1] Province of Ontario, Ministry of Municipal Affairs and Housing, News Release, Ontario Making Progress on Work to Build at Least 1.5 Million Homes, August 22, 2023

[2] Baby Boomers are generally defined as those born between 1946 and 1964.



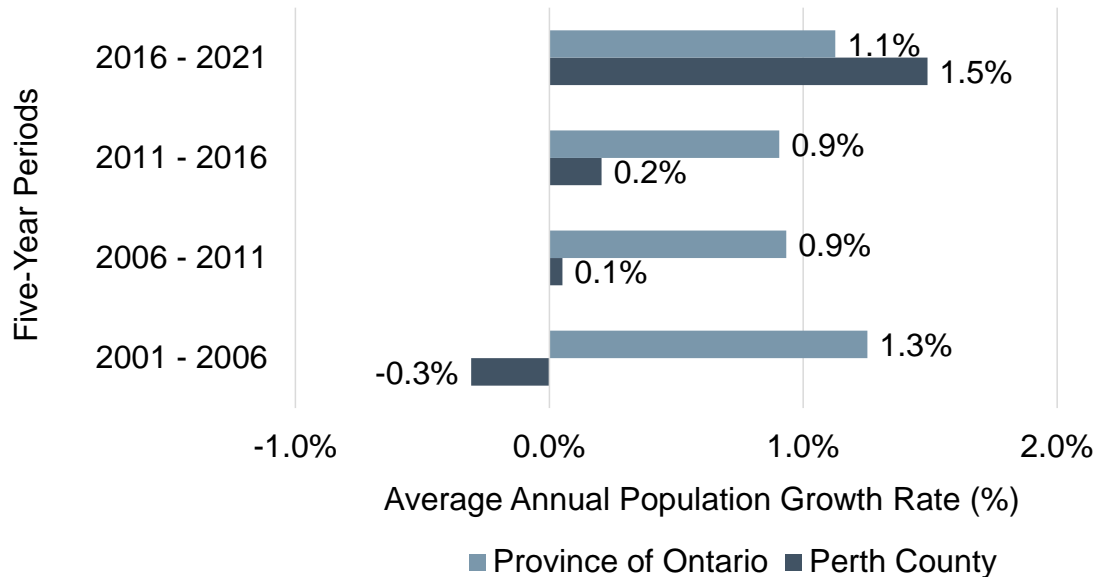
Figure 2
Perth County
Historical Population, 2001 to 2021



Note: Perth County 2021 population includes net Census undercount estimated at 2.8%.
Source: Derived from Statistics Canada Census Data, 2001 to 2021 by Watson & Associates Economists Ltd., 2023.



Figure 3
Perth County and Province of Ontario
Average Annual Population Growth Rate in Five-Year Increments, 2001 to 2021



Note: Perth County 2021 population includes net Census undercount estimated at 2.8%, and the Province of Ontario 2021 population includes a Census undercount estimated at 3.2%.

Source: Derived from Statistics Canada Census Data, 2001 to 2021 by Watson & Associates Economists Ltd., 2023. Figure 4 summarizes historical population growth trends by local municipality within Perth County over the past five years. During this period, most of the population growth has been accommodated within the Municipality of North Perth, which has experienced an average annual population growth rate of 3.5% over the 2016 to 2021 period. Perth East and West Perth have experienced moderate population growth of 0.6% and 0.4%, respectively, while Perth South experienced no population growth over the period.



Figure 4
Perth County Area Municipalities
Historical Population, 2016 to 2021

Year	Township of Perth South	Municipality of West Perth	Township of Perth East	Municipality of North Perth	Perth County Total
2016	3,900	9,100	12,600	13,500	39,100
2021	3,900	9,300	13,000	16,000	42,100
2016 - 2021	0	200	400	2,500	3,000
2016 - 2021 Average Annual Growth Rate (%)	0.0%	0.4%	0.6%	3.5%	1.5%

Note: Population metrics include net Census undercount estimated at 2.8%.

Source: Derived from Statistics Canada Census Data, 2001 to 2021 by Watson & Associates Economists Ltd., 2023.

2.2 Demographic Trends

Demographic trends strongly influence both housing need and form. Across the Province, the population is getting older on average, due to the aging of the Baby Boomers.

Perth County has a marginally younger age-profile than the provincial average. As of the 2021 Census, the County's population had a median age of 39.7 years, compared to the Province of Ontario median age of 41.6 years.^[1]

Similar to the Province, the average age of the population base in Perth County is also aging, due to the large concentration of Baby Boomers. Perth County's 55+ population accounts for 32% of the total population, compared to the share of the 55+ population in Ontario (33%). The aging of the local population base further reinforces the need to

^[1] Statistics Canada Census 2021.



attract younger age groups to the County, particularly those characterized as Millennials and Generation Z, as well as other future generations.^[1]

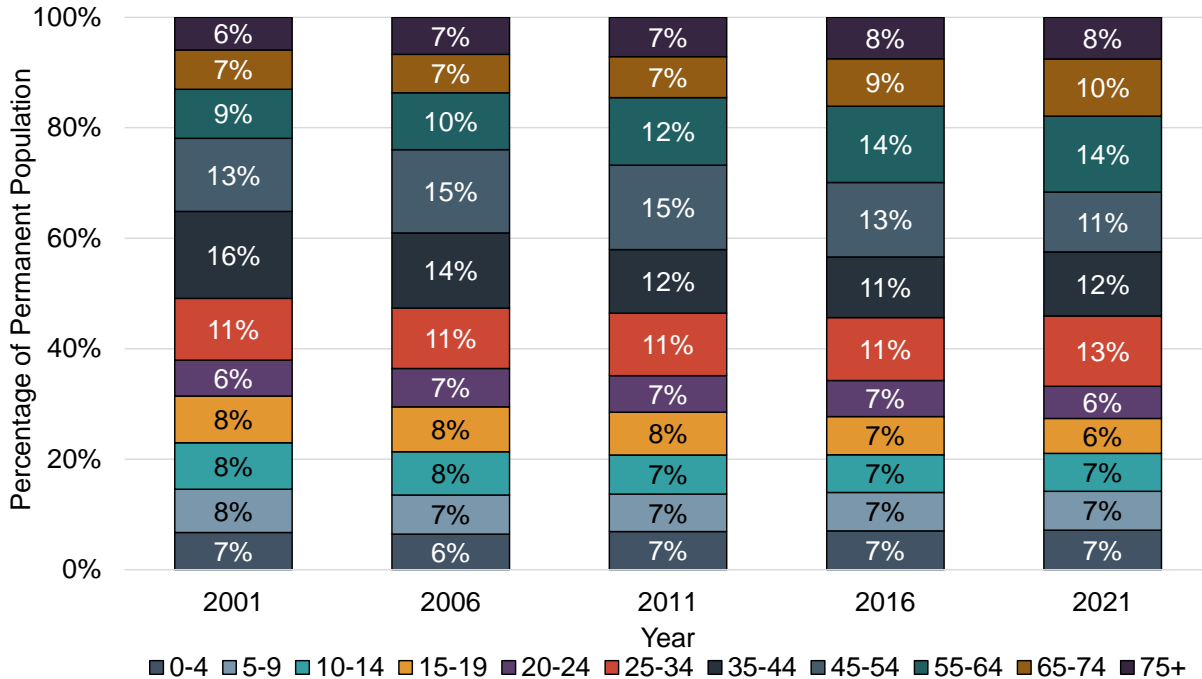
Figure 5 summarizes historical trends in permanent population structure over the 2001 to 2021 period by major age group in Perth County. Key observations include:

- The share of population in the 55+ age cohort steadily increased from 22% in 2001 to 32% in 2021;
- In contrast to the 55+ population age group, the population share of the 0 to 19 age group declined from 31% in 2001 to 27% in 2021;
- Similarly, the share of the 35 to 54 age group also steadily declined from 29% in 2001 to 22% in 2021; and
- Lastly, the population share of the young adult age group (20 to 34) was relatively stable.

^[1] Millennials are generally defined as those born between 1980 and 1992. For the purposes of this study, we have assumed that those born between 1993 and 2005 comprise Generation Z.



Figure 5
Perth County
Historical Permanent Population by Major Age Group, 2001 to 2021



Source: Derived from Statistics Canada Custom Order Data by Watson & Associates Economists Ltd., 2023.

2.2.1 Understanding the Key Components of Population Growth

There are two primary components of population growth, including natural increase (i.e., births less deaths) and net migration. Net migration can be broken into three broad categories, including:

- **International Net Migration** – represents international immigration less emigrants, plus net non-permanent residents.
- **Inter-Provincial Net Migration** – comprises in-migration less out-migration from other Canadian provinces/territories.
- **Intra-Provincial Net Migration** – includes in-migration less out-migration from elsewhere in the Province of Ontario.



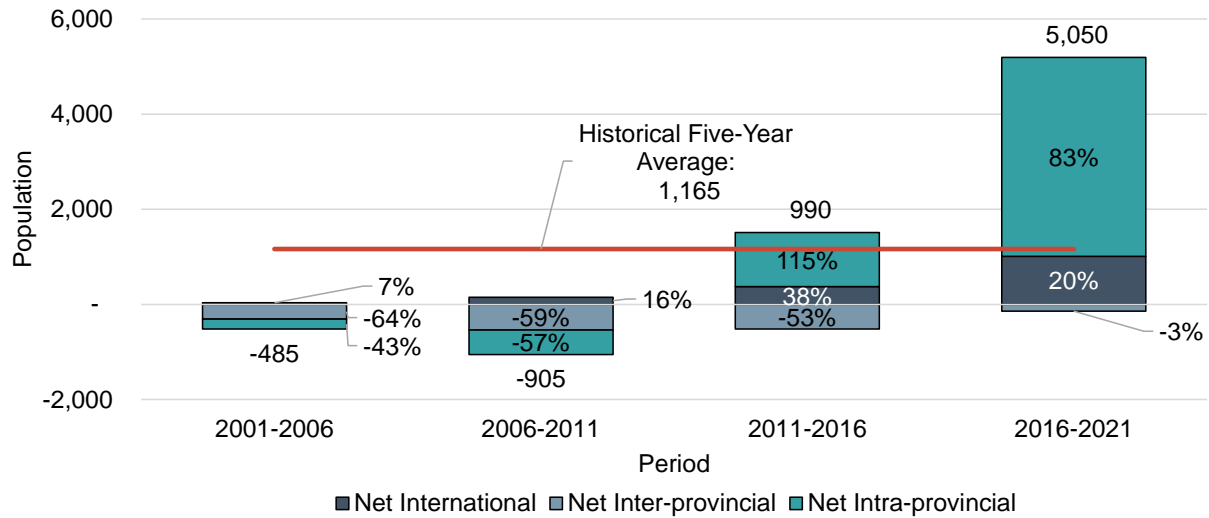
Figure 6 summarizes historical net migration trends between 2001 and 2021 within the Perth County Census Division (C.D.),^[1] by type of net migration. Key observations are as follows:

- Over the 20 years reviewed, net migration in the Perth County C.D. averaged approximately 1,165 persons per five-year Census period or 210 persons per year.
- Intra-provincial net migration represented the largest driver of net migration to the Perth County C.D. Over the 2015 to 2020 period, the Waterloo Region and Greater Toronto and Hamilton Area have been the largest contributors of intra-provincial net migration to the Perth County C.D., with 25% and 15% of total net migration, respectively, as shown in Figure 7. Over this period, intra-provincial net migration largely comprises the 25-44 population age group (35%), followed by the 0-17 (21%) and 45-64 (20%) age groups.
- International migration also represented an increasing share of overall net migration. The amount of international migration to the Perth County C.D. also increased from 35 during the 2001 to 2006 period to 1,015 during the most recent 2016 to 2021 period.

[1] Perth County Census Division includes Perth County (i.e., Township of Perth South, Municipality of West Perth, Township of Perth East, and Municipality of North Perth), City of Stratford, and Town of St. Marys.



Figure 6
Perth County Census Division
Historical Net Migration Trends, 2001 to 2021

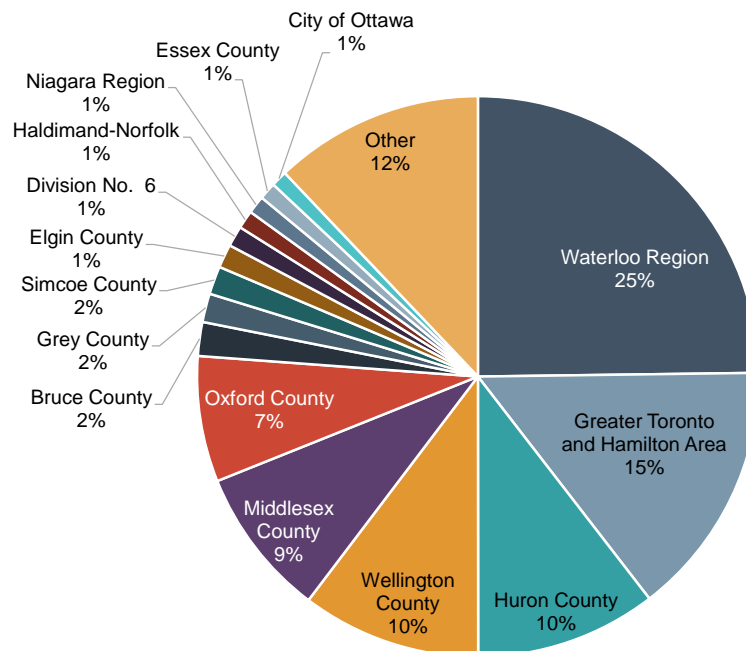


Note: Perth County Census Division includes Perth County (i.e., Township of Perth South, Municipality of West Perth, Township of Perth East, and Municipality of North Perth), City of Stratford, and Town of St. Marys.

Source: Data derived from Statistics Canada. Table 17-10-0136-01 by Watson & Associates Economists Ltd., 2023.



Figure 7
Perth County Census Division
Share of Intra-Provincial Migration, 2015 to 2020



Note: Perth County Census Division includes Perth County (i.e., Township of Perth South, Municipality of West Perth, Township of Perth East, and Municipality of North Perth), City of Stratford, and Town of St. Marys.

Source: Derived from Statistics Canada Custom Data by Watson & Associates Economists Ltd., 2023.

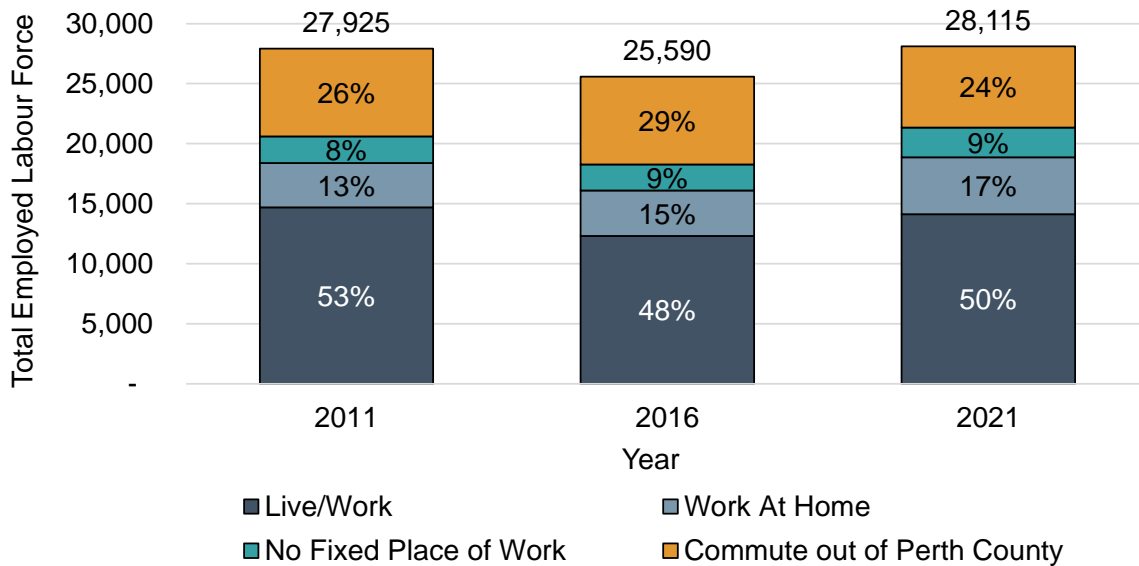
2.3 Economic and Employment Growth Trends

2.3.1 Labour Force and Commuting Trends

Figure 8 summarizes historical trends in Perth County's labour force base by place of work. Perth County's employed labour force size increased marginally over the 2011 to 2021 period, with a total employed labour force of 28,115 in 2021. As of 2021, approximately 50% of Perth County's employed labour force lives and works in the municipality or works from home. A relatively large share (24%) of the County's employed labour force commutes outside Perth County for employment.



Figure 8
Perth County
Employed Labour by Place of Work (2011 to 2021)



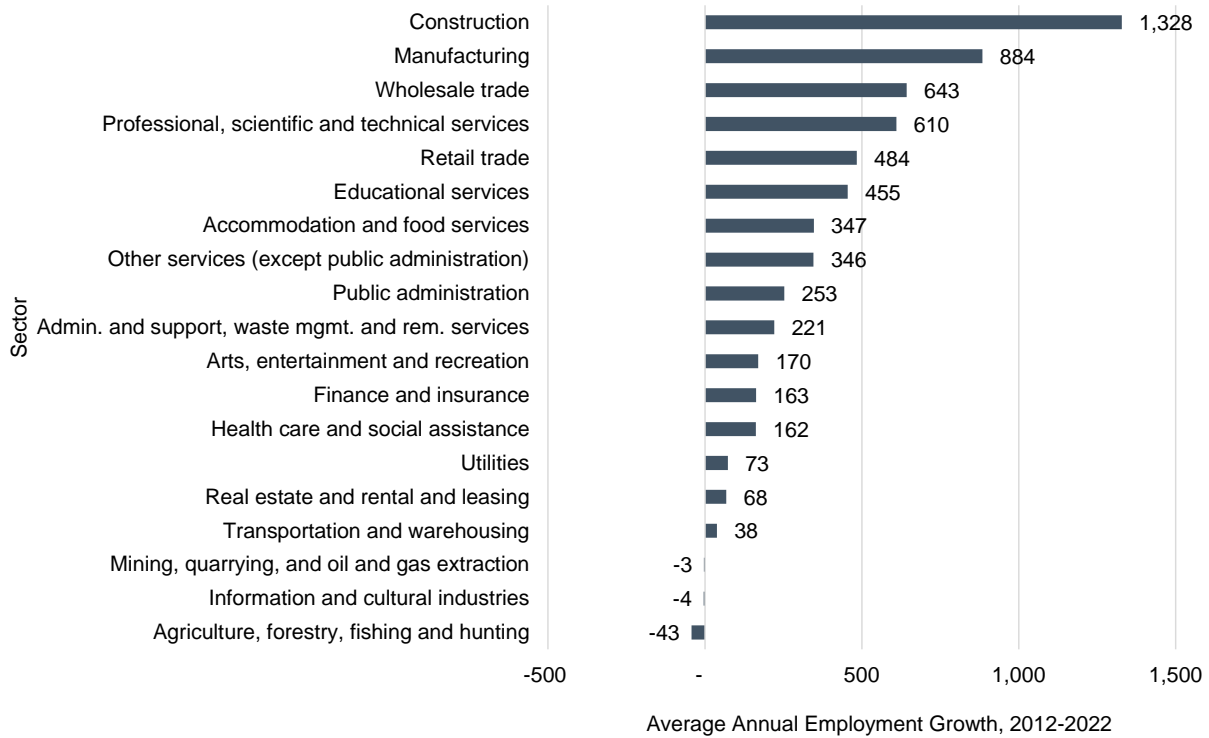
Source: Derived from Statistics Canada Census Data, 2011 to 2021, by Watson & Associates Economists Ltd., 2023.

2.3.2 Employment Growth Trends

Similar to the provincial economy as a whole, the nature of Perth County's economy is changing. Figure 9 illustrates the employment change by industry sector over the 2012 to 2022 period in Perth County. Over the past decade, the County has experienced strong growth in industrial sectors including construction, manufacturing, and wholesale trade. The County has also grown within key knowledge-based sectors including professional, scientific and technical services and educational services. Other sectors with strong growth include retail trade, accommodation and food services, public administration, administrative and support, waste management and remediation services, arts, entertainment and recreation, finance insurance, and health care and social assistance, and finance and insurance.



Figure 9
Perth County
Employment Growth by Sector, 2012 to 2022



Note: Figures include employed and self-employed jobs. Management of Companies and Enterprises has been excluded from this list due to data unavailability.

Source: Derived from EMSI by Watson & Associates Economists Ltd., 2023.

Figure 10 summarizes the top 10 largest employers in Perth County. As shown, the largest employers in Perth County are within sectors that include educational services, manufacturing, construction, wholesale trade, and health care and social assistance.



Figure 10
Perth County
Largest Employers

Company Name	Sector	Number of Employees
Avon Maitland District School Board	Elementary and secondary schools	500+
Listowel Technology, Inc. (LTI)	Motor vehicle plastic parts manufacturing	500+
Durisol Ltd.	Highway, street and bridge construction	200-499
Erie Meats Ltd.	Poultry and egg merchant wholesalers	200-499
Gray Ridge Eggs Inc.	Poultry and egg merchant wholesalers	200-499
Listowel Memorial Hospital	General (except paediatric) hospitals	200-499
Municipality of North Perth	Other local, municipal and regional public administration	200-499
Sofina Foods Inc.	Poultry processing	200-499
Boshart Industries	Plumbing, heating and air-conditioning equipment and supplies merchant wholesalers	100-199
Horst Welding	Agricultural implement manufacturing	100-199

Source: Derived from Perth County Data by Watson & Associates Economists Ltd., 2023.

2.4 Household Trends

As shown in Figure 11, Perth County's 2021 housing base comprises approximately 14,900 occupied dwelling units largely consisting of low-density housing (single detached/semi-detached) which accounts for 86% of units.^[1] The County's housing base comprises approximately 4% and 9% medium- and high-density units, respectively. Key observations include:

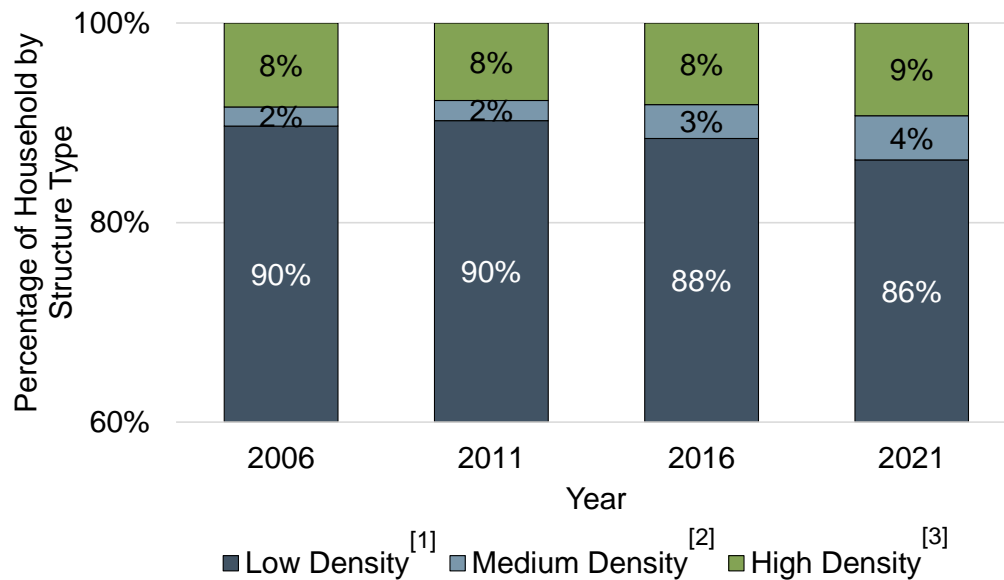
- Perth County's housing base has historically been predominantly owner-occupied low-density units (single and semi-detached); and

^[1] Based on Statistics Canada. 2021.



- The local housing market is gradually becoming more diverse with a greater share of higher density units.

Figure 11
Perth County
Housing by Structure Type, 2001 to 2021



[1] Includes single and semi-detached units.

[2] Includes townhouses and apartments in duplexes.

[3] Includes bachelor, 1-bedroom, and 2-bedroom+ apartment units.

Notes: Numbers may not add precisely due to rounding.

Source: Data derived from Statistics Canada Census, 2001-2021 by Watson & Associates Economists Ltd., 2023.

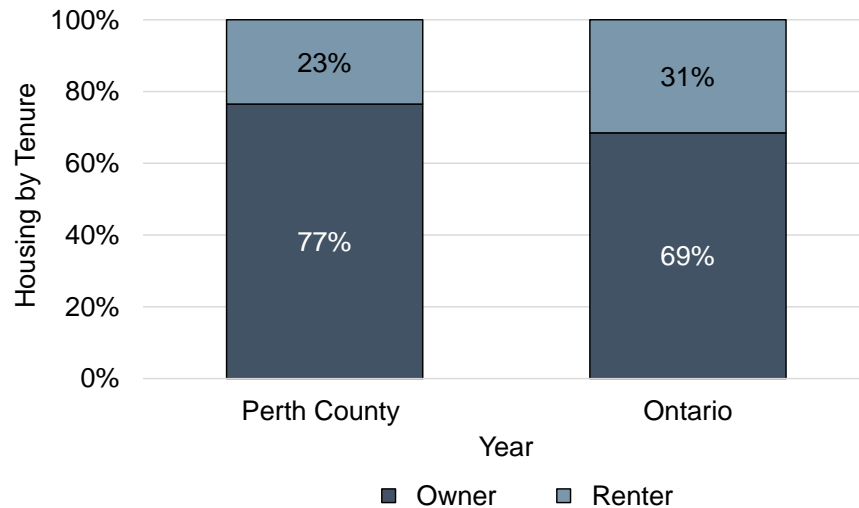
2.4.1 Housing Tenure

Housing tenure falls under two categories – owner occupied, and renter occupied. As shown in Figure 12, within Perth County in 2021, 77% of housing units are owner occupied and 23% are renter occupied.^[1] Perth County has a lower share of renter households than the provincial average of 31%.

[1] Based on 2021 Census Profile data.



Figure 12
Perth County
Housing by Tenure, 2021



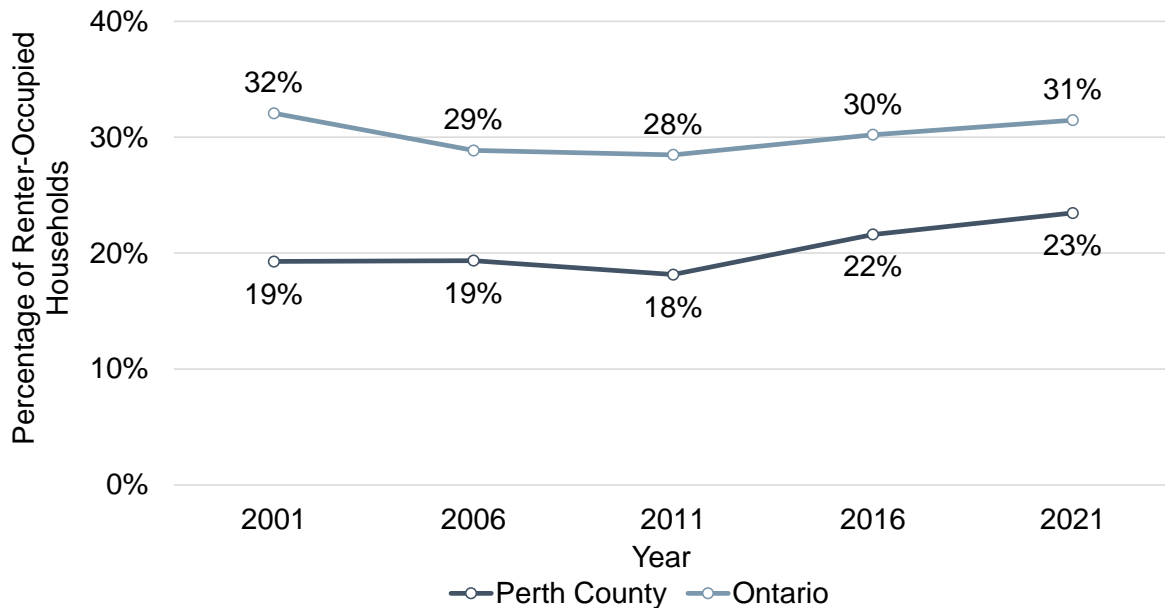
Source: Derived from Statistics Canada. Table 98-10-0232-01 by Watson & Associates Economists Ltd., 2022.

Figure 13 summarizes historical share of renter-occupied units within Perth County and the Province over the 2001 to 2021 period. Key findings include:

- The share of renter-occupied households in Perth County remained stable at between 2001 and 2011. Over the past decade, the share of renter-occupied households has increased from 18% in 2011 to 23% in 2021;
- Over the 2001 to 2021 period, the number of renter-occupied housing units in Perth County increased from 2,470 to 3,495; and
- Renter-occupied households as a proportion of total dwellings in Perth County remained lower than the Province of Ontario throughout the 2001 to 2021 period.



Figure 13
Perth County
Renter-Occupied Dwellings, 2001-2021



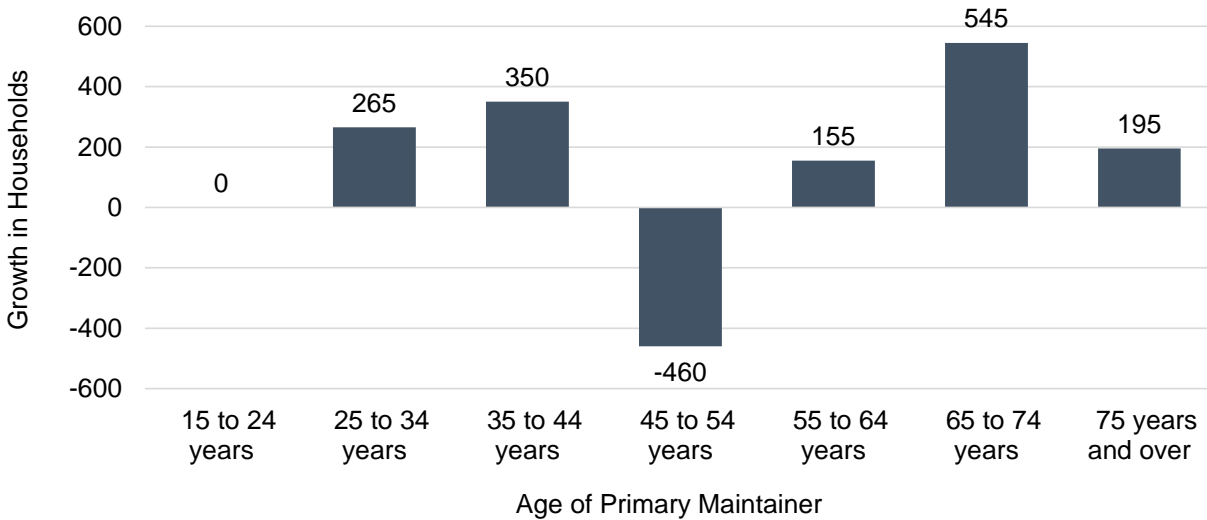
Note: The renter-occupied household metrics do not include non-Census dwelling units.
Source: Derived from Statistics Canada Census Data, 2001-2021, by Watson & Associates Economists Ltd., 2023.

2.4.2 Household Growth by Age and Size

Figure 14 summarizes 2016 to 2021 household growth by age of primary household maintainer in Perth County. Perth County has experienced strong household growth in the 55+ age cohort, including empty nesters/young seniors (55-64) and seniors (65+). Household growth in units maintained by those 55+ accounted for approximately 85% of the total unit increase over the 2016 to 2021 period. During the same time period, moderately strong growth was experienced in households maintained by younger age groups (25-45 age group), while a decline or no growth occurred in a number of households maintained by those aged 45-54 and under 25, respectively.



Figure 14
Perth County
Growth in Number of Households by Age of Primary Maintainer, 2016 to 2021

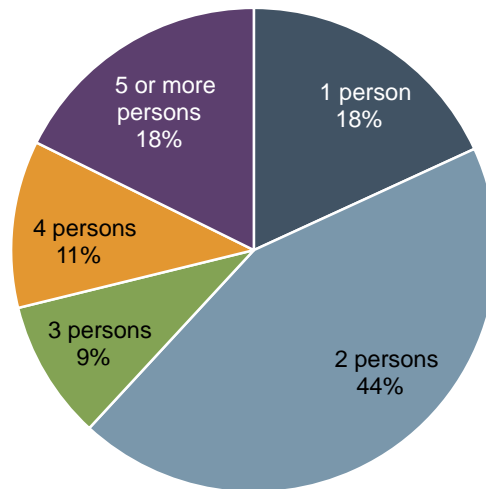


Source: Derived from Statistics Canada Census Data, 2016-2021, by Watson & Associates Economists Ltd., 2023.

Figure 15 summarizes the 2016 to 2021 household growth by household size within Perth County. As shown, 62% of the household growth comprised one- and two-person households (18% and 44%, respectively). In comparison, three-person households accounted for 9% of the total, four-person households 11%, and five-or-more-person households accounted for 18%.



Figure 15
Perth County
Share of Growth in Households by Size, 2016 to 2021



Source: Derived from Statistics Canada Census Data, 2016-2021, by Watson & Associates Economists Ltd., 2023.

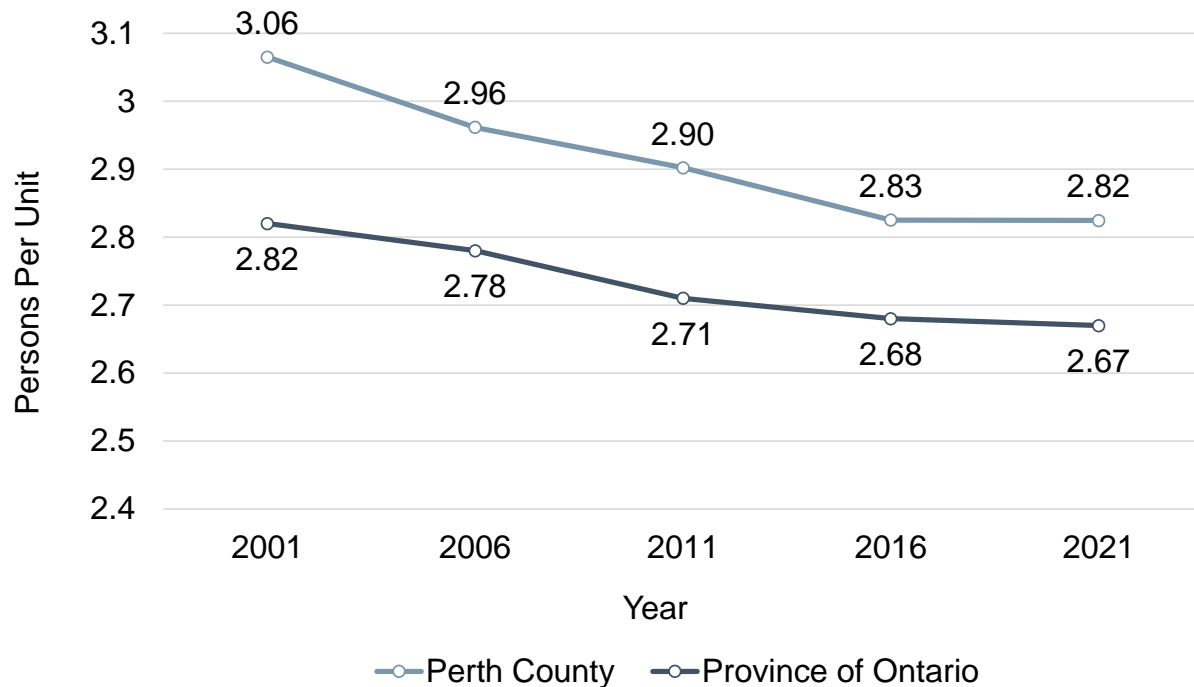
Figure 16 summarizes the average housing occupancy in Perth County in comparison to the provincial average over the 2001 to 2021 period. This is expressed as the average number of persons per dwelling unit (P.P.U.).^[1] As shown, average P.P.U.s have declined in Perth County and the Province over the past two decades. Perth County's current (2021) P.P.U. of 2.82 is notably higher than the Province of Ontario's average of 2.67.

The downward trend in housing occupancy in Perth County has been driven by the aging of the population which increases the proportionate share of empty nester and single-occupancy households.

^[1] Average number of persons per unit (P.P.U.) is defined as the total population divided by the number of occupied dwelling units.



Figure 16
Perth County
Housing Occupancy Trends, 2001 to 2021



Note: The Perth County 2021 P.P.U. includes a Census undercount estimated at 2.8%, and the Province of Ontario 2021 P.P.U. includes a Census undercount estimated at 3.2%.

Source: Derived from Statistics Canada Census Data, 2001 to 2021, by Watson & Associates Economists Ltd., 2022.

2.5 Observations

A range of demographic and economic factors is driving housing needs across the County. Perth County has experienced strong population and employment growth and demand for housing across the housing spectrum over the past five years, driven by strong net migration. A large share of housing growth is in households maintained by those aged 65+ as well as those aged 25-34. Average housing occupancy continues to gradually decline with most growth in smaller (one and two person households) household sizes.

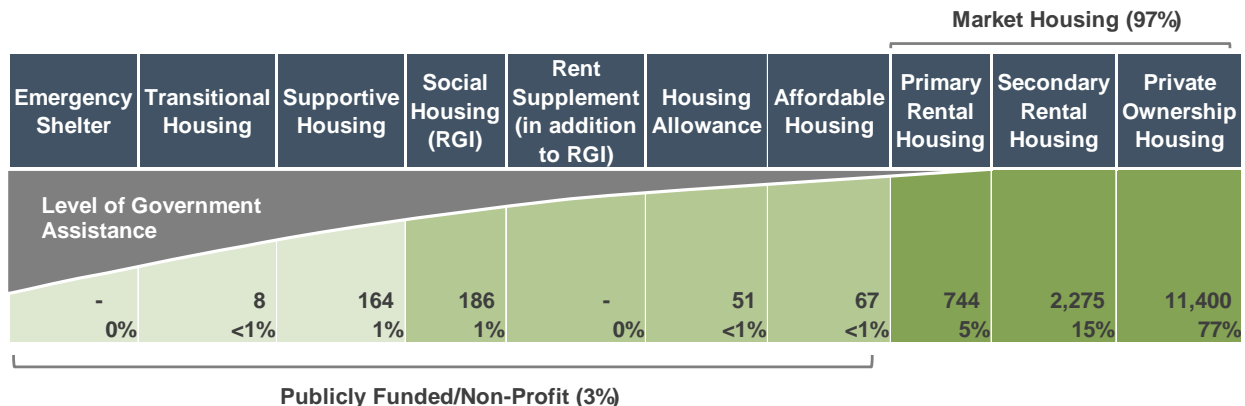


3. Perth County’s Housing Market

3.1 Perth County’s Housing Continuum

Perth County’s housing continuum is presented in Figure 17. As shown, 97% of the County’s total housing is market housing compared to 3% being publicly funded or provided by non-profit agencies. Most units (77%) are owner occupied, compared to primary rental households (5%), and secondary market rental households (15%).

Figure 17
Perth County
Housing Continuum



Note: Numbers may not add precisely due to rounding.
Source: Derived from Perth County Data, CMHC Rental Market Data, and Statistics Canada Census Data, 2021, by Watson & Associates Economists Ltd., 2023.

3.2 Rental Housing Market

Similar to other communities in Canada, Perth County’s rental market is characterized by both a primary and secondary market:

- **Primary rental market** – CMHC identifies the primary rental market as structures that have at least three rental units. These properties are typically operated by an owner, manager, or building superintendent.
- **Secondary rental market** – CMHC identifies rented condominiums, subsidized rental housing, and rentals in structures of less than three units as part of the



secondary rental market. In fact, all rentals – except privately initiated, purpose-built rental structures of three units or more – are included in the secondary rental market.

The primary and secondary rental market supply in Perth County totals approximately 3,020 dwelling units as of 2021. This includes approximately 745 (21%) units in the primary rental market and 2,750 (79%) units in the secondary rental market.^{[1][2]} With respect to the primary rental market inventory, the majority (80%) is located in North Perth.

Approximately half (54%) of Perth County's rental housing supply comprises low-density dwellings (single and semi-detached), while medium-density dwellings (townhouses, duplexes) and high-density units (apartments) account for 9% and 37%, respectively.

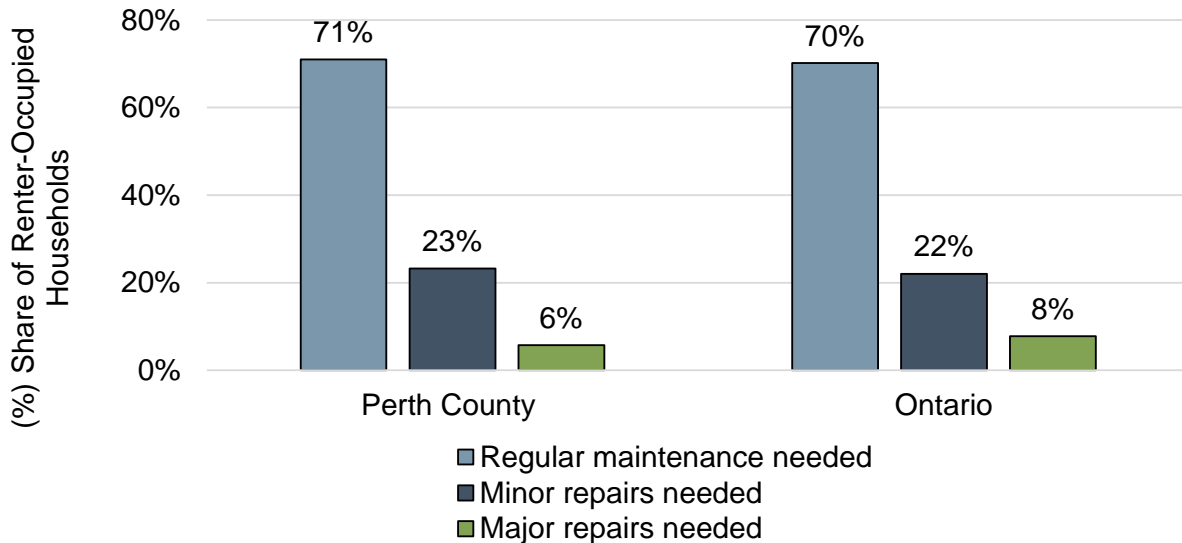
Perth County's renter-occupied households by dwelling condition compared to the provincial average are presented in Figure 18. As shown, more than two-thirds of Perth County's renter-occupied households are in dwellings that only require regular maintenance, slightly higher than the provincial average. Of the renter-occupied dwellings in Perth County, 6% require major repairs, which is lower than the provincial average.

[1] Statistics Canada Census, 2021 and CMHC Rental Market Data.

[2] The CMHC primary rental data for Perth County (approximately 745 units) is an aggregate of primary rental units in Perth South, West Perth, and North Perth. The CMHC primary rental data for Perth East is not available.



Figure 18
Perth County
Share of Renter-Occupied Households by Dwelling Conditions, 2021



Source: Derived from Statistics Canada, Table 98-10-0247-01, by Watson & Associates Economists Ltd., 2023.

3.2.1 Vacancy Rate Trends

Figure 19 provides a summary of average rental vacancy rates for 1-, 2- and 3-bedroom apartments in the primary rental market over the past five years in North Perth compared to the provincial average.^[1] Key observations include the following:

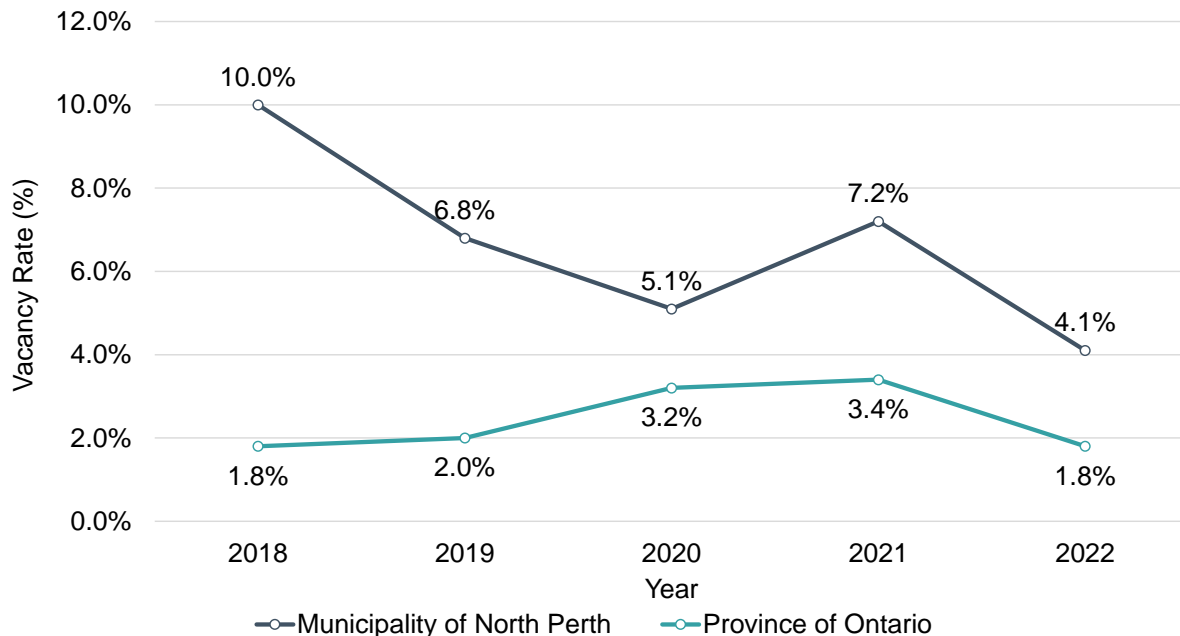
- As of October 2022, the overall vacancy rate is at 4.1% in North Perth, above the provincial average of 1.8%.^[2]
- Over the past five years, North Perth's vacancy rate has been above the provincial five-year average (2.4%).
- North Perth's vacancy rate has noticeably decreased from 10% to 4.1% between 2018 and 2022.

^[1] The comparable rental vacancy rate data is not available for Perth South, West Perth, and Perth East. The vacancy rates reported for North Perth are considered generally representative across Perth County.

^[2] Canadian Mortgage and Housing Corporation (CMHC), 2023.



Figure 19
Perth County
Historical Vacancy Rates, 2013 to 2022



Source: Derived from CMHC Housing Market by Watson & Associates Economists Ltd., 2023.

Typically, a rental vacancy rate of approximately 3% is considered healthy. It is noted that low average rental vacancy rates currently experienced across the Province continue to place an upward price pressure on rents.

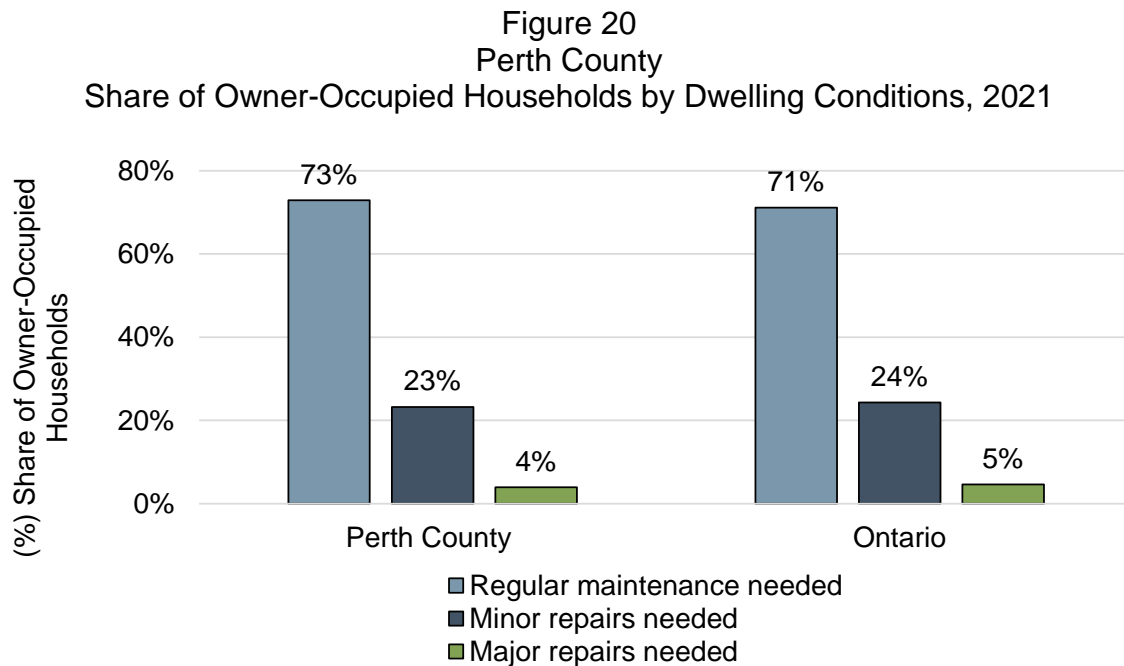
3.3 Ownership Market Housing

Perth County has a strong tradition of home ownership with approximately 11,400 (77%) of housing units defined as owner occupied. Perth County's owner-occupied households largely comprise freehold grade-related housing units, including detached dwellings (low density) and townhouses (medium density), which account for 96% and 3% of the total, respectively. High-density units, comprising condominiums, account for 1% of the total.^[1]

^[1] Statistics Canada 2021 Census data.



Perth County's owner-occupied households by dwelling condition, compared to the provincial average, are presented in Figure 20. As shown, approximately 73% of Perth County's owner-occupied households are in dwellings that only require regular maintenance, slightly higher than the provincial average. Of the owner-occupied dwellings in Perth County, 4% require major repairs, comparable to the provincial average.



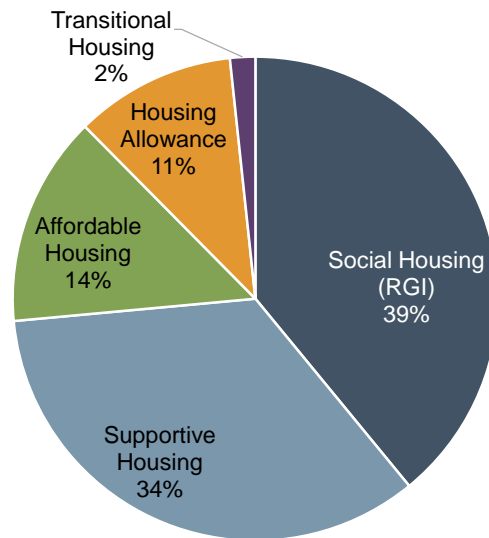
Source: Derived from Statistics Canada, Table 98-10-0247-01, by Watson & Associates Economists Ltd., 2023.

3.4 Publicly Funded/Non-Profit Housing

Perth County has 475 publicly funded/non-profit housing units which makes up approximately 3% of all housing in the County. As illustrated in Figure 21, the County's publicly funded/non-profit housing comprises social housing (39%), supportive housing (34%), affordable housing (14%), housing allowance (11%), and transitional housing (2%).



Figure 21
Perth County
Publicly Funded/Non-Profit Housing Inventory



Note: Supportive housing, transitional housing, and housing allowance are subsidies attached to households, not units, within the Perth County Census Division.

Source: Derived from Perth County data by Watson & Associates Economists Ltd., 2023.

Further details on Perth County's publicly funded/non-profit housing ecosystem are provided below:

- **Transitional Housing** – Perth County offers eight transitional housing units which form temporary accommodations designed to provide support and assistance for individuals transitioning from homelessness to permanent housing by offering a structured environment, support, and supervision.
- **Supportive Housing** – Supportive housing assists chronically homeless individuals or individuals at risk of homelessness with finding suitable accommodations, including shared housing and 1-bedroom apartments. Perth County has 164 units of this type.
- **Rent-g geared-to-income (RGI) housing** – Perth County has 186 social housing (RGI) units. These are subsidized housing units with rent at 30% of gross monthly household income or the maximum shelter allowance for social assistance recipients.

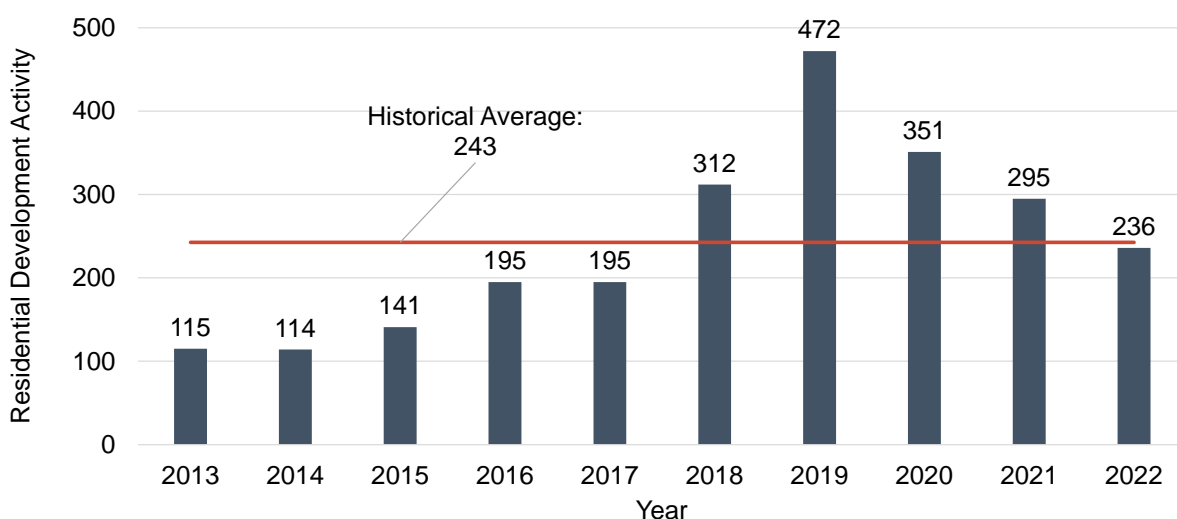


- **Housing Allowance** – Perth County offers monthly housing allowance to 51 eligible households to help with housing costs. Housing allowance provides financial support with rental costs in privately owned housing in Perth County.
- **Affordable Housing** – Affordable housing units are units with rental rates at or below the CMHC average market rent (A.M.R.) of a unit in the County. Currently there are 67 affordable housing units in Perth County.

3.5 Housing Development Activity Trends

Over the 2013 to 2022 period, Perth County averaged 243 residential units constructed per year, as illustrated in Figure 22. Housing growth has accelerated, with an average of 333 units per year over the 2018 to 2022 period. Over the past decade, low-density housing construction has declined as a share of total housing development, with an increase in the share of high-density units (i.e., apartments, triplexes, quadplexes, and other multi-unit dwellings). Over the past five years, 68% of housing development activity occurred in North Perth, 18% in Perth East, 12% in West Perth, and 2% in Perth South, as shown in Figure 23.

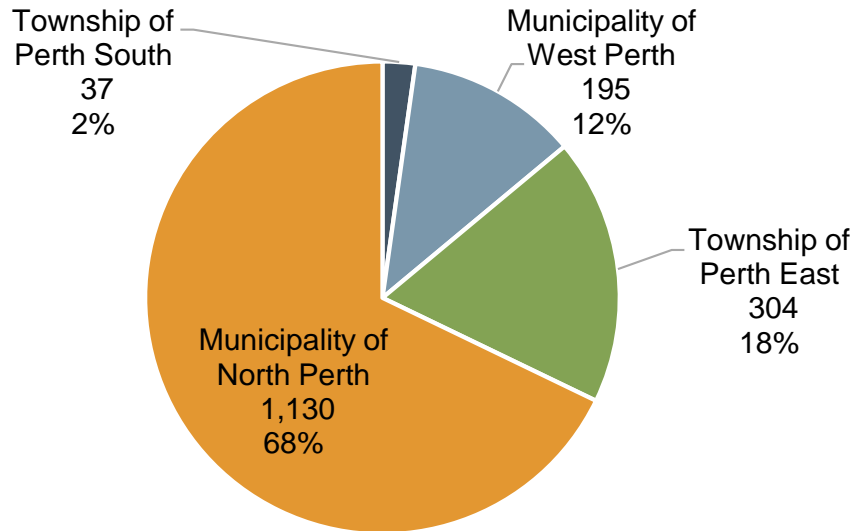
Figure 22
Perth County
Housing Development Activity, 2013 to 2022



Source: Derived from Perth County Building Permits data by Watson & Associates Economists Ltd., 2023.



Figure 23
Perth County
Housing Development Activity by Geographic Area, 2018 to 2022



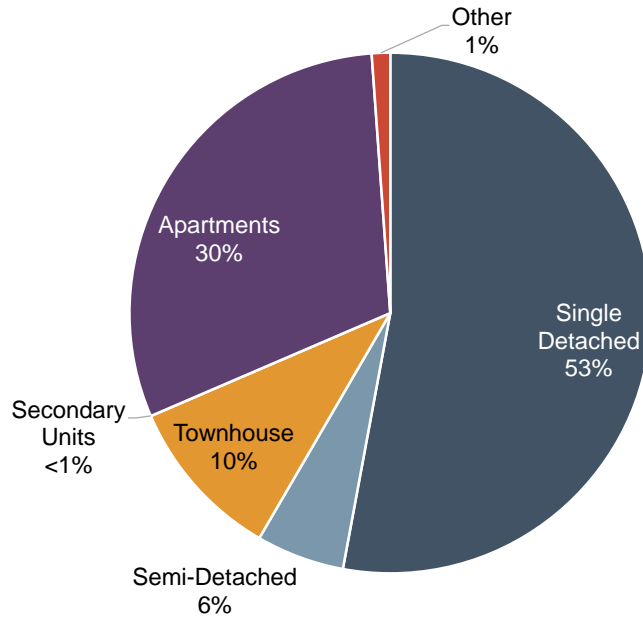
Source: Derived from Perth County Building Permits data by Watson & Associates Economists Ltd., 2023.

Building permit activity by housing type in Perth County over the past five years (2018 to 2022) is presented in Figure 24. As illustrated:

- There has been a shift to higher-density development, with approximately 31% of units being high density and 10% of units being medium density (townhouses), compared to 59% for low-density units (single and semi-detached housing).



Figure 24
Perth County
Residential Development Activity by Type (Units), 2018 to 2022



Note: Apartments include triplexes, quadplexes, and other multi-unit dwellings.
Source: Adapted from Perth County's Building Permit data by Watson & Associates Economists Ltd., 2023.

3.6 Housing Cost Trends

3.6.1 Housing Affordability

Figure 25 displays average house price changes from 2016 to 2021 in Perth County and the Province of Ontario. The average value of a dwelling in the County has increased by 59% from \$389,500 in 2016, to \$618,000 in 2021. In comparison, the average value of a dwelling in Ontario increased by 59% from \$506,400 in 2016, to \$807,000 in 2021. While the 2021 average housing prices within Perth County was lower than the provincial average, the average annual housing price appreciation in Perth County was the same as the Province over the 2016 to 2021 period.



Figure 25
Perth County
Average Value of Dwelling, 2016 to 2021

Area	2016	2021	2016-2021 Increase (%)
South Perth	\$504,500	\$748,000	48%
West Perth	\$319,700	\$513,500	61%
Perth East	\$416,200	\$645,000	55%
North Perth	\$317,500	\$565,500	78%
Perth County Total	\$389,500	\$618,000	59%
Province of Ontario	\$506,400	\$807,000	59%

Note: Figures have been rounded.

Source: Derived from Statistics Canada Census data, 2016-2021, by Watson & Associates Economists Ltd., 2023.

Figure 26 summarizes current new housing prices within Perth County for single detached dwellings based on a desktop survey of active developments. As illustrated, within Perth County, single detached units are priced between \$700,000 and \$1,100,000, and the mid point price for single detached units is \$875,000 in Perth County.

Figure 26
Perth County
New Single Detached Housing Prices, 2023

Dwelling Unit Type	Price Range (\$)	Mid Point
Single Detached	700,000 - 1,100,000	\$875,000

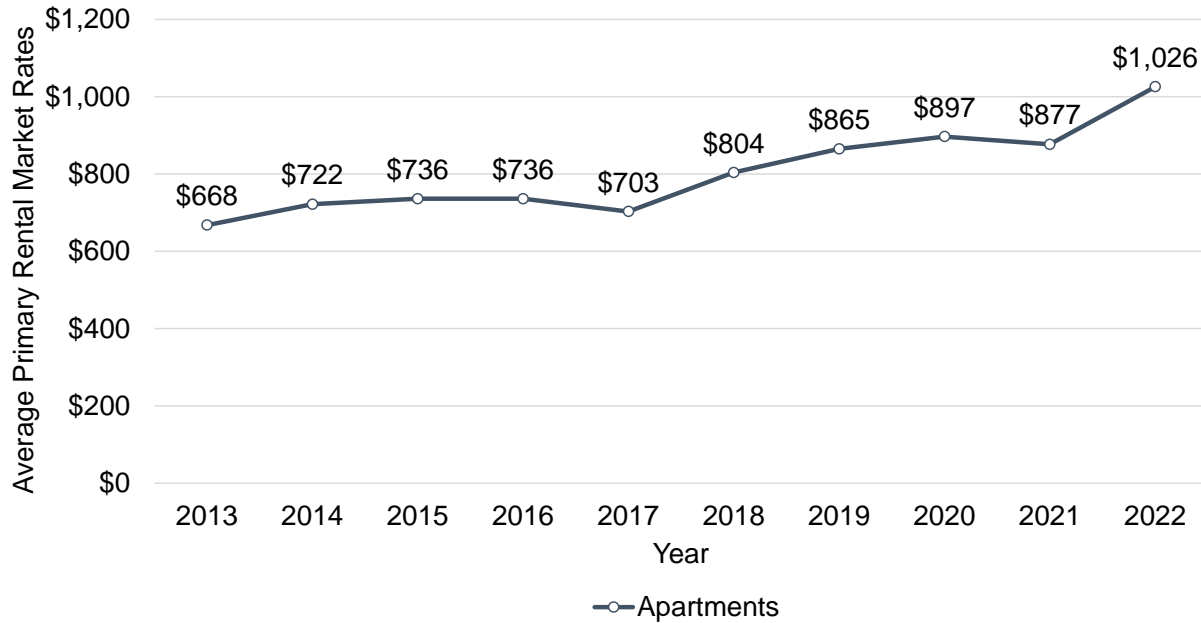
Source: Desktop Survey by Watson & Associates Economists Ltd., 2023.

Figure 27 illustrates the average rental market rates over the 2013 to 2022 period for apartments in the Municipality of North Perth.^[1] As shown, over the 2017 to 2022 period, the average primary rental market rates of apartments increased 46%, rising from approximately \$700 in 2017 to \$1,025 in 2022.

[1] The comparable rental market rate data is not available for Perth South, West Perth, and Perth East. The rental market rates reported for North Perth are considered generally representative across Perth County.



Figure 27
North Perth Municipality
Average Primary Rental Market Rates – Apartments, 2013 to 2022

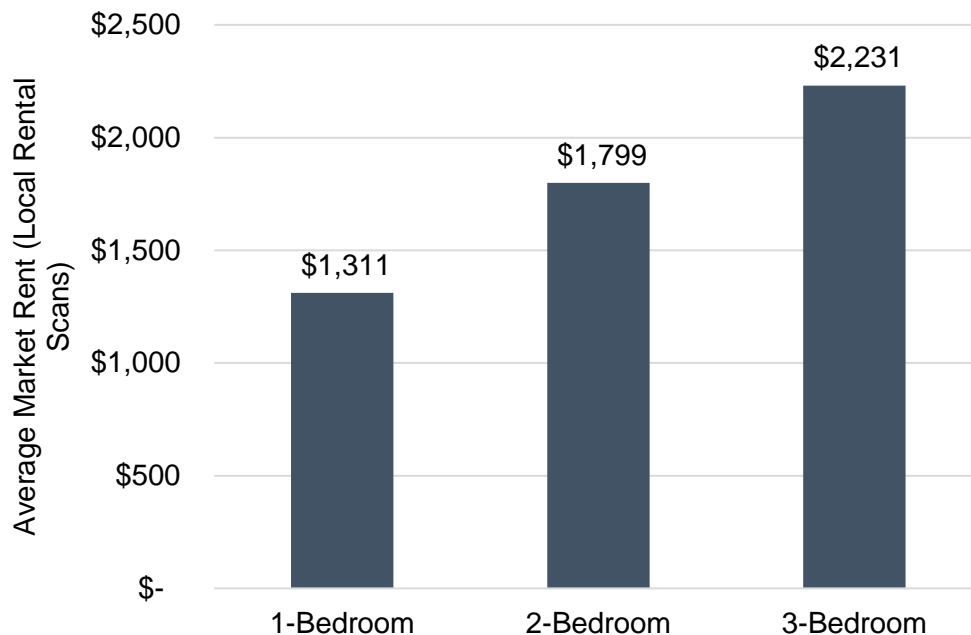


Source: Derived from CMHC Rental Market Survey by Watson & Associates Economists Ltd., 2023.

Average market rents in the primary and secondary rental market based on local rental scans for Perth County are presented in Figure 28. As shown, average monthly market rents in Perth County are \$1,311 for 1-bedroom units, \$1,799 for 2-bedroom units, and \$2,231 for 3-bedroom units.



Figure 28
Perth County
Average Primary and Secondary Rental Market Rates by Bedroom Size, 2022



Note: Includes the Township of Perth South, Municipality of West Perth, Township of Perth East, and Municipality of North Perth.

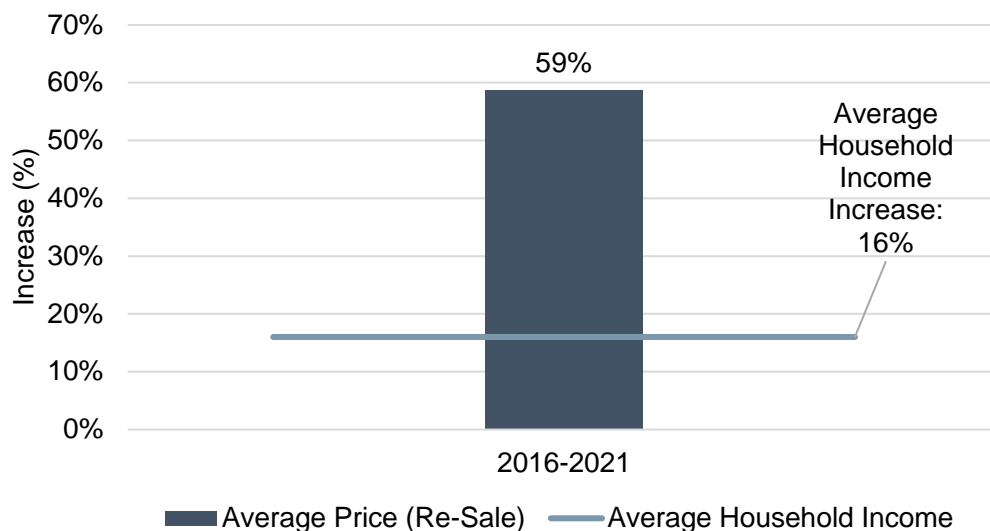
Source: Derived from City of Stratford 2022-23 Alternate Average Market Rents, 2022, by Watson & Associates Economists Ltd., 2023.

3.7 Housing Affordability Trends

Figure 29 summarizes the average re-sale housing price increase in Perth County in comparison to average household income growth over the 2016 to 2021 period. As shown, over the past five years, average housing prices have increased at a faster rate than average household income growth, indicating an erosion in housing affordability in the local housing market over the period. The erosion of housing affordability has been acute in the ownership market, and the difference in price appreciation and household income growth has widened over the 2016 to 2021 period, during which average annual re-sale housing prices increased by 59% while average incomes increased by 16%.



Figure 29
Perth County
Average Home Price (Re-Sale) Increase vs. Household Income Growth, 2016 to 2021



Note: Price (re-sale) increase includes the sale prices of single detached, townhouse/row, and apartment property types.

Source: Statistics Canada Census data, 2016-2021, by Watson & Associates Economists Ltd., 2023.

Appreciation in home prices primarily impacts carrying costs through increased mortgage costs. As such, the erosion of housing affordability attributed to higher housing prices is most impacted by lower- and middle-income households, as well as first-time home buyers who often can only meet the minimum down payment requirements for a mortgage.

4. Perth County's Current Housing Needs

4.1 Waiting List for Non-Market Housing

Figure 30 shows the number of eligible applicants on the social housing centralized waitlist. As shown, as of June 30, 2023, there are currently 49 households on the waitlist for social housing (RGI).



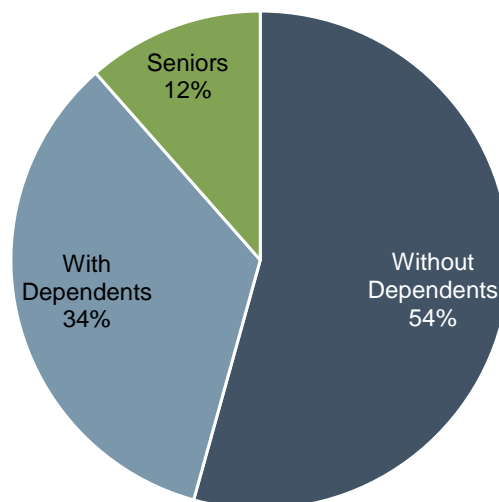
Figure 30
Perth County
Number of Households on the Social Housing (RGI) Waitlist

Area	Eligible Applicants
Perth South	6
West Perth	11
Perth East	3
North Perth	29
Perth County Total	49

Source: Derived from City of Stratford Housing Division data (as of June 30, 2023), by Watson & Associates Economists Ltd., 2023.

Of the total applicants on the centralized waitlist for social housing (RGI), 54% are households with no dependents, 34% are households with dependents, and 12% are seniors, as shown in Figure 31.

Figure 31
Perth County, City of Stratford and Town of St. Marys
Characteristics of Households on the Social Housing (RGI) Waitlist



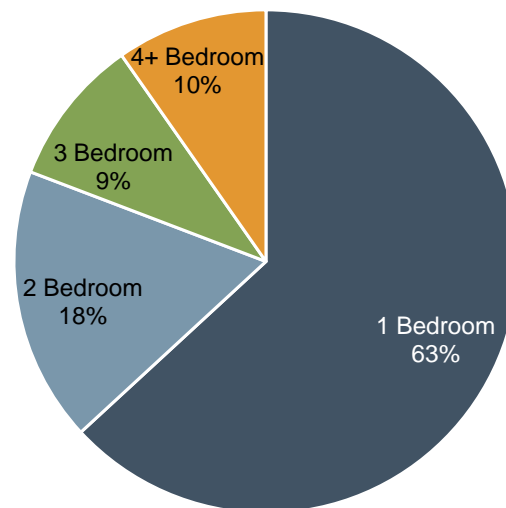
Note: The total number of applicants on the waitlist includes those in the municipalities of Stratford and St. Marys.

Source: Derived from City of Stratford Housing Division data (as of June 30, 2023), by Watson & Associates Economists Ltd., 2023.



The following summarizes the waitlist for non-market housing by housing type (size). Of the total units demanded by the applicants on the centralized waitlist for social housing (RGI) in Perth County, 63% are 1-bedroom, 18% are 2-bedroom, 9% are 3-bedroom, and 10% are 4-bedroom+ units, as shown in Figure 32.

Figure 32
Perth County, City of Stratford and Town of St. Marys
Characteristics of Households on the Social Housing (RGI) Waitlist



Note: The total number of applicants on the waitlist includes those in the municipalities of Stratford and St. Marys.

Source: Derived from City of Stratford Housing Division data (as of June 30, 2023), by Watson & Associates Economists Ltd., 2023.

4.2 Core Housing Need

Figure 33 illustrates the households in core housing need by tenure (owner, renter) and renter households that are subsidized and not subsidized. In accordance with CMHC's definition, a household is considered to be in core housing need if it meets two criteria:

- A household is **below one or more** of the adequacy (repair), suitability (crowding) and affordability standards.
- The household would have to spend 30% or more of its before-tax household income to access local market housing that meets all three standards.



The households in core housing need in Perth County total 595 dwelling units as of 2021, which includes 405 households in North Perth, 95 households in Perth East, 50 households in West Perth and 45 households in Perth South. Of the total occupied housing units in Perth County, those in core need account for 4%, lower than the provincial average of 12%.^[1]

Of the households in core housing need, approximately 390 (67%) are renter-occupied households and 190 (33%) are owner-occupied households. Of the renter-occupied households in core housing need, 90% are not subsidized and 10% are subsidized households.

Figure 33
Perth County
Households in Core Housing Need by Area Municipality

Units	Township of Perth South	Municipality of West Perth	Township of Perth East	Municipality of North Perth	Perth County Total
In Core Need	45	50	95	405	595
Total Occupied Units	1,395	3,435	4,115	5,960	14,900
% Core Housing Need	3%	1%	2%	7%	4%

Note: Numbers may not add precisely due to rounding.

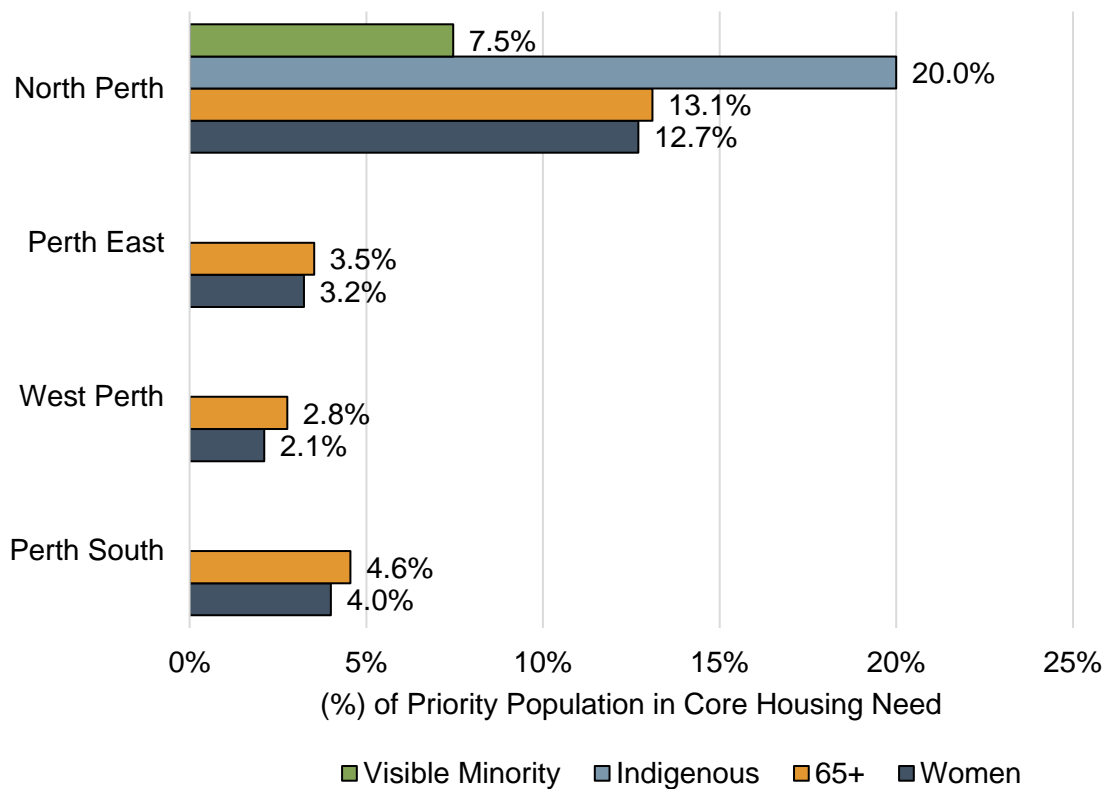
Source: Derived from Statistics Canada. Table 98-10-0247-01 by Watson & Associates Economists Ltd., 2023.

Figure 34 illustrates percentages of households in core housing need by priority population and area municipalities in Perth County in 2021. As shown, in 2021, North Perth has the highest percentages of households led by seniors (aged 65+) and women in core housing need; 13.1% and 12.7% of household are led by 65+ age group and women population in core housing need, respectively. As shown in Figure 34, 20.0% and 7.5% of households in North Perth led by Indigenous and visible minorities, respectively, in core housing need.

[1] Statistics Canada, Table 98-10-0247-01, Core housing need by tenure including presence of mortgage payments and subsidized housing: Canada, provinces and territories, Census divisions and Census subdivisions.



Figure 34
Perth County
Households in Core Housing Need by Priority Population, 2021



Note: The data on households led by Indigenous and visible minority population is only available for the municipality of North Perth.
Source: Derived from Housing Assessment Resource Tools (HART) by Watson & Associates Economists Ltd., 2023.

Figure 35 shows the County's total households in severe core housing need. A household is considered to be in severe core housing need if it meets two criteria:

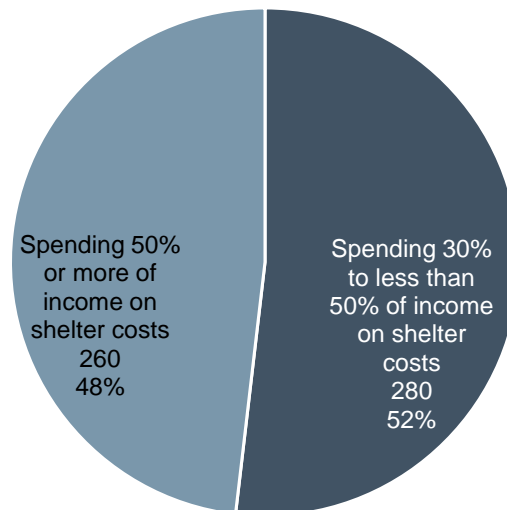
- A household is **below one or more** of the adequacy (repair), suitability (crowding) and affordability standards.
- The household would have to spend 50% or more of its before-tax household income to access local market housing that meets all three standards.

As shown in Figure 35, 260 households are in severe core housing need, representing 48% of the County's total households in core housing need. Of this, 67% (175



households) reside in North Perth, followed by Perth East (21%), and Perth South (12%).

Figure 35
Perth County
Households in Severe Core Housing Need



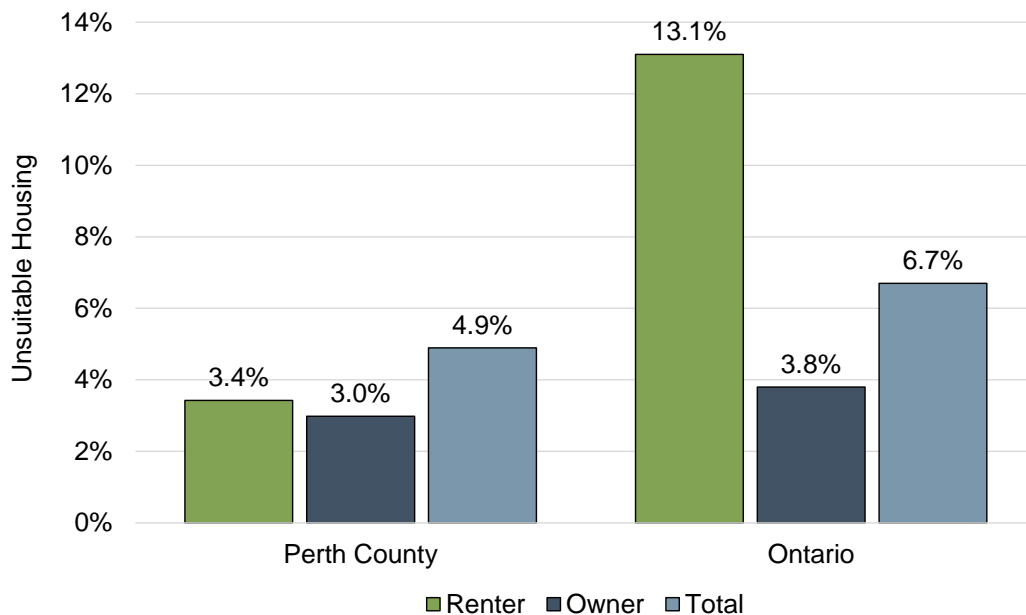
Note: Numbers may not add precisely due to rounding.
Source: Derived from Statistics Canada, Table 98-10-0247-01, by Watson & Associates Economists Ltd., 2023.

4.3 Housing Suitability

The indicator for housing suitability (a topic often referred to as crowding) is measured by the number of bedrooms within the dwelling related to the size and composition of the household. Within Perth County, 3% (510 units) of occupied housing is not considered suitable for occupants from a space needs perspective. The percentage share of dwellings not considered suitable in Perth County is considerably lower than the Ontario average (7%), as shown in Figure 36. Perth County's unsuitable housing share has remained largely unchanged since 2006, when it was approximately 4%.



Figure 36
Perth County and Ontario
Housing Suitability, 2021



Source: Derived from Statistics Canada, Table 98-10-0247-01, by Watson & Associates Economists Ltd., 2023.

4.4 Homelessness

As of June 2023, Perth County, the City of Stratford, and the Town of St. Marys have 292 households that are actively homeless, including 137 households that are chronically homeless,^[1] as presented in Figure 37. Of those who are actively homeless, 16% are staying in shelters while 59% are provisionally accommodated,^[2] and 25% are either unsheltered or their types of homelessness are unknown.

^[1] Chronic homelessness is defined as a household experiencing at least six months of homelessness in the past 12 months (does not have to be consecutive).

^[2] Provisionally accommodated refers to those whose accommodation is temporary or lacks security of tenure. Some examples include, but are not limited to, the following: transitional housing, temporarily residing with friends or family (also known as “couch surfing”) or in a provincial institution such as hospital or jail with no fixed address upon release.



Figure 37
Perth County, City of Stratford and Town of St. Marys
Number of Households Experiencing Homelessness by Type

Type of Homelessness	# of Households
Actively Homeless	156
Chronically Homeless	137

Source: Derived from Perth County data as of June 30, 2023, by Watson & Associates Economists Ltd., 2023.

4.5 Observations

The analysis presented above strongly suggests that Perth County has a structural deficit in housing supply that does not meet the needs of the current population from a household affordability lens. Based on the current housing needs analysis presented above, a summary of current housing needs in Perth County is presented in Figure 38. This includes an estimated 315 housing units that would be needed in the form of affordable rental housing to address the roughly 55 households that are currently homeless and not captured in the Census data, as well as approximately 260 households in severe core need in Perth County, as identified through the 2021 Census data. Addressing this deficit in affordable housing should be considered a high priority for the short and medium term.

Figure 38
Perth County
Current Housing Needs

Housing Need	Housing Units
Actively Homeless	55
Severe Core Housing Need	260
Total Current Housing Need	315

Source: Watson & Associates Economists Ltd., 2023.

Figure 39 illustrates the current housing need in the County by area municipality. As shown, of the total units needed in Perth County, an estimated 215 units (68%) are needed in North Perth, 50 units (16%) in Perth East, 25 units (8%) in West Perth, and 25 units (8%) in Perth South.



Figure 39
Perth County
Current Housing Needs by Area Municipality

Area Municipality	Housing Units
Perth South	25
West Perth	25
Perth East	50
North Perth	215
Total Current Housing Need	315

Source: Watson & Associates Economists Ltd., 2023.

Addressing the County's current housing needs by developing planning initiatives to achieve higher housing targets could serve as an effective approach to providing additional housing choice to low- and moderate-income households in Perth County with a focus on affordable rental housing. Critical to the success of these initiatives is the alignment of new housing products with local housing demand, in accordance with affordability and household type. Having said that, expanding housing supply accordingly in Perth County over the short to medium term is recognized as ambitious.

5. Assessment of Future Housing Needs

5.1 Demographic Factors Influencing Perth County's Future Housing Needs

As previously mentioned, population age structure influences the socio-economic characteristics of the population related to income/affordability, lifestyle, family size, lifestyle decisions, health and mobility. Propensities for high-density housing (apartments and condominium units) are highest among younger age groups, while propensities for low-density housing (single and semi-detached housing) tend to be highest among population age groups between 35 and 64 years of age.

As previously discussed, Perth County's population is aging. As previously illustrated, the 55+ age group has grown considerably over the past 20 years and is expected to increase in both percentage and absolute terms over the next several decades. As the



average age of the county's population continues to increase, it is anticipated that the demand for higher density housing forms will also continue to gradually increase.

The aging of the county's population is also anticipated to drive the need for seniors' housing and other housing forms geared to older adults (e.g., assisted living, affordable housing, adult lifestyle housing). Given the diversity of the 55 to 74 and 75+ population age groups, forecast housing demand across the County within this broad 55+ demographic group is anticipated to vary considerably.

Within the 55+ age group, housing demand within the 55-74 age group is anticipated to be relatively stronger for ground-oriented housing forms (i.e., single detached, semi-detached and townhouses) that provide proximity to urban amenities, municipal services and community infrastructure. With respect to the 75+ age group, the physical and socio-economic characteristics of this age group (on average) are considerably different than those of younger seniors, empty nesters and working adults with respect to income, mobility and health. Typically, these characteristics represent a key driver behind the propensity for medium- and high-density housing forms (including seniors' housing) that are in proximity to urban amenities, health care services and other community facilities geared toward this age group.

In addition, Perth County is also anticipated to accommodate a growing share of young adults and new families seeking competitively priced home ownership and rental opportunities. Accordingly, opportunities should be explored to provide a mix of future housing across a range of density types, to accommodate those with varying levels of income (including affordable housing options) within new greenfield areas as well as in priority intensification areas.

Housing demand associated with younger generations in the County of Perth is anticipated to be strong across a range of housing types that are affordable to new home buyers/renters and cater to a broad range of lifestyle preferences towards urban and suburban living. This includes housing options such as townhouses (including back-to-back townhouses and stacked townhouses), higher density developments (i.e., purpose-built apartments and condominiums), and to a lesser extent, low-density housing forms. Demand for low-density housing is anticipated to be strongest for "move-up" home buyers with growing families, typically working-age homeowners approaching 40 years of age and older.



Accommodating younger generations, such as Millennials and Generation Z, and other working-age adults is a key objective for Perth County, recognizing that the accommodation of skilled labour and the attraction of new businesses are inextricably linked and positively reinforce one another. To ensure that economic growth is not constrained by future labour shortages, continued effort is required by Perth County, its area municipalities, and its partners to explore ways to attract and accommodate new skilled and unskilled working-age residents to the county within a diverse range of housing options by structure type, tenure and location.

5.2 Perth County Growth Outlook

Perth County is expected to experience relatively strong growth over the next three decades, as illustrated in Figure 40. Over the 2021 to 2051 period, the County's population is forecast to increase by 48% (20,200 people) from 42,100 to 62,300 and employment base by 37% (7,900) from 21,300 to 29,200. To accommodate the forecast population growth, Perth County's housing base is expected to expand by 8,600 units, an increase of 58%.

Figure 40
Perth County
Population, Housing and Employment 2021 to 2051

Metric	2021	2031	2041	2051	2021-2051 Incremental Growth
Population	42,100	50,100	57,100	62,300	20,200
Housing	14,900	18,100	21,100	23,500	8,600
Employment	21,300	22,600	26,400	29,200	7,900

Notes:

- Population figures include a net Census undercount estimated at approximately 2.8%.
- Employment figures include work at home and no fixed place of work.
- Figures have been rounded.

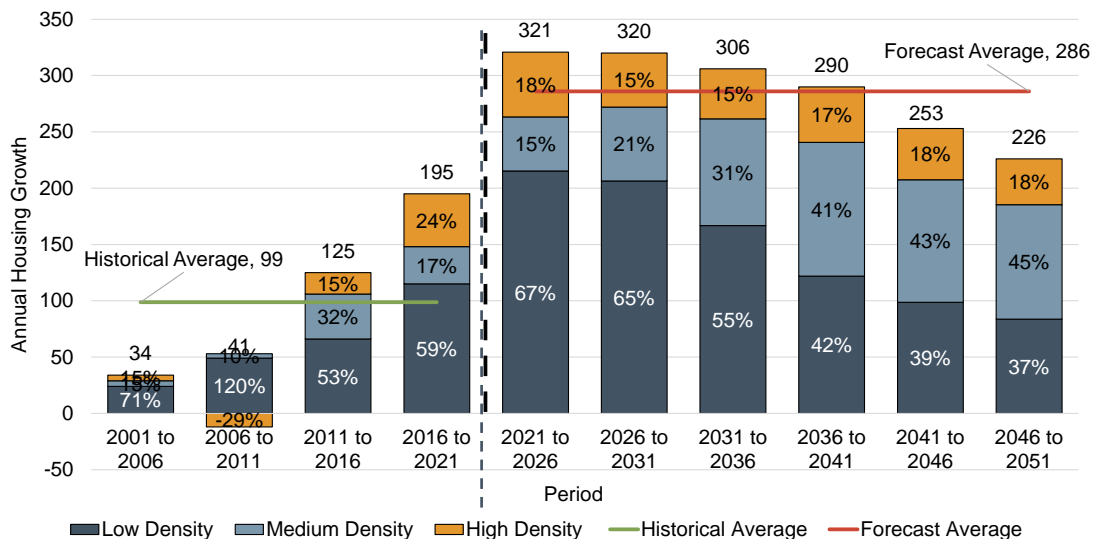
Source: 2021 population and housing units from Statistics Canada Census Data, growth forecasts estimated by Watson & Associates Economists Ltd., 2022.

Figure 41 summarizes the County's household annual forecast from 2021 to 2051 in five-year growth increments and by structure type. Housing trends between 2001 and 2021 are also provided for historical context. Key observations are as follows:



- Over the 2021-2051 period, housing development is anticipated to average approximately 290 units across the County annually;
- New housing is forecast to comprise 52% low-density (singles and semi-detached), 31% medium-density (townhouses) and 17% high-density (apartments) units. A steady increase in the share of medium- and high-density housing forms is anticipated, largely driven by the housing needs associated with the 65+ age group (including seniors' housing) as well as continued upward pressure on local housing prices and declining housing affordability. This trend is further reflected in recent building activity and development applications;
- The long-term housing outlook for Perth County remains very positive given the strong long-term population growth outlook for Southern Ontario as a whole. As such, average annual new housing construction activity over the next two to three decades is anticipated to remain well above historical levels experienced over the past 15 years.

Figure 41
Perth County
Five-Year Incremental Housing Growth – Historical and Forecast, 2001 to 2051



Notes:

- Low density includes singles and semi-detached units.
- Medium density includes townhouses and apartments in duplexes.
- High density includes bachelor, 1-bedroom, 2-bedroom+ apartments.
- Figures may not add due to rounding.


Source: Historical 2001 to 2021 figures from Statistics Canada Census Profiles.
Forecast prepared by Watson & Associates Economists Ltd., 2023.



5.3 Residential Supply Opportunities

As shown in Figure 42, Perth County has approximately 1,720 units in the residential supply pipeline comprising 1,149 (67%) in North Perth, 227 (12%) in West Perth, 177 (10%) in Perth South, and 163 (9%) in Perth East. Of the current housing units, approximately 1,210 (71%) are low-density (single and semi-detached, and mobile homes), 235 (14%) are medium-density (townhouses, stacked townhouses, and units in duplexes), and 270 (16%) are high-density units.

Figure 42
Perth County
Residential Units in Development Approvals by Intended Market
as of August 2023

	Unit	Perth South	West Perth	Perth East	North Perth	Perth County	
						Units	Share
<p>More Affordable</p>  <p>Less Affordable</p>	Affordable Housing	-	-	-	27	27	2%
	Apartments	-	4	17	164	185	11%
	Mobile Homes	-	-	-	26	26	2%
	Condominiums	-	60	-	-	60	3%
	Townhouses/Stacked Townhouses	-	18	57	159	234	14%
	Single/Semi-Detached	177	145	89	773	1,184	69%
	Total	177	227	163	1,149	1,720	100%

Source: Data adapted from Perth County's Residential Housing Supply Data by Watson & Associates Economists Ltd., 2023.

Perth County currently has a housing supply of approximately 1,500 housing units (88%) in development approvals which are largely intended for the ownership market.

5.4 Ten-Year Housing Needs

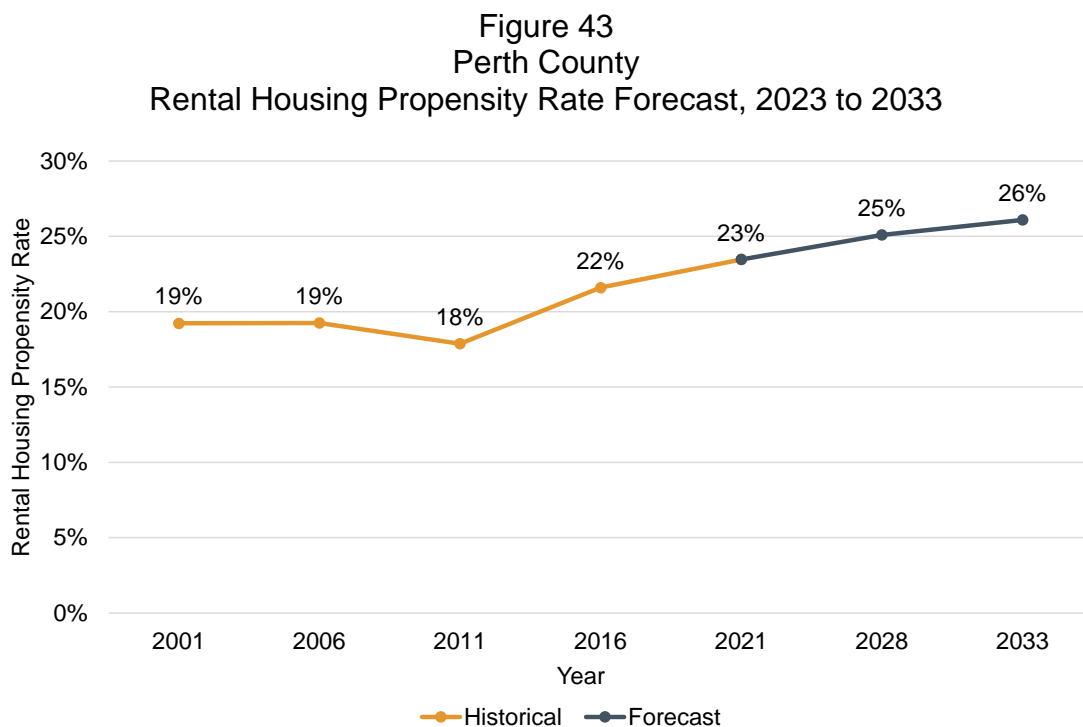
This section provides an analysis of forecast housing demand for Perth County over the next 10 years by housing type and tenure (i.e., rental vs. ownership). Further to this, a breakdown of market and affordable housing needs is also displayed. The housing forecast presented herein has been adapted from the 2023 Perth County Official Plan Update – Comprehensive Review (2023 C.R.) which is currently in progress.



5.4.1 Forecast Housing Growth

Perth County is expected to realize permanent household growth of approximately 3,200 housing units over the next decade (i.e., 2023 to 2033). Accommodating this level of growth requires a range of housing by structure type and tenure. Building on the housing forecast, the following explores the County’s housing needs in greater detail by generating a housing forecast by both type and tenure. A tenure forecast provides greater insight into the County’s rental housing needs between 2023 and 2033 by various structure types.

With affordability concerns increasing throughout the province, the pressure for primary rental dwellings will continue to grow. Based on a rental housing propensity analysis (as shown in Figure 43), the percentage of renter households in the County is forecast to increase from 23% in 2021 to 26% in 2033, which is slightly lower than the rental housing propensity increases observed between 2011 and 2021.



Source: Historical data from Statistics Canada Census. Forecast by Watson & Associates Economists Ltd, 2023.

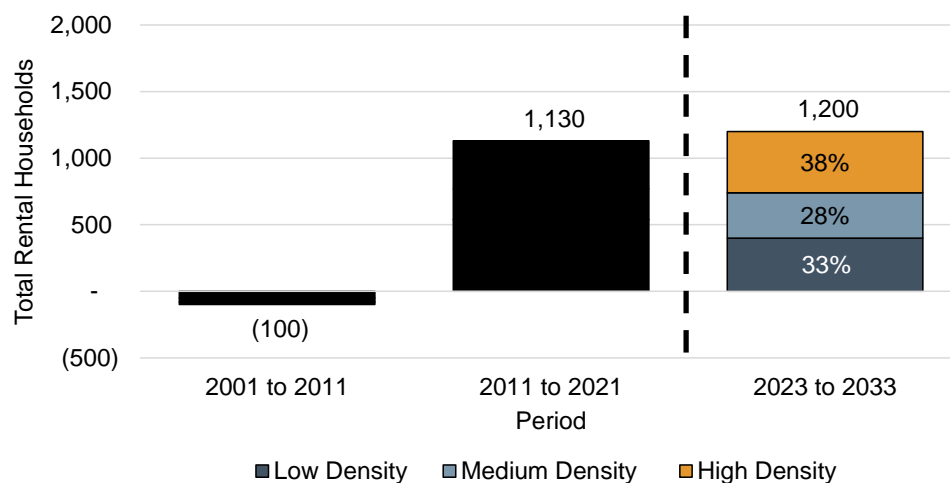
Based on the above rental housing propensity forecast, rental housing in the County is expected to increase by approximately 1,200 units over the 10-year period, accounting



for nearly 38% of total housing growth over the forecast period. As shown in Figure 44, rental dwelling growth in the County between 2023 and 2033 is forecast to comprise 33% low-density (singles and semi-detached), 28% medium-density (townhouses and duplexes), and 38% high-density households (apartments and secondary units).

As shown in Figure 45, ownership dwellings within the County are forecast to have a wider range of structure types. Low-density housing forms will continue to be a predominant structure type, representing 81% of ownership dwellings. High-density units are expected to account for 3% of ownership dwellings. The remaining housing growth is within medium-density dwellings, representing 16%.

Figure 44
Perth County
Rental Housing Growth by Structure Type, Historical and Forecast, 2001 to 2033

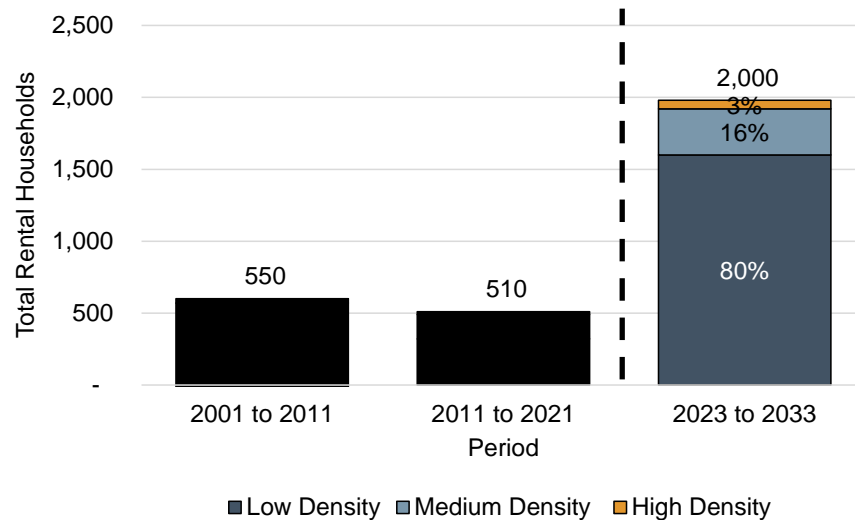


Note: 2021 to 2023 has been excluded for the purpose of this figure.

Source: Historical data from Statistics Canada Census Housing prepared by Watson & Associates Economists Ltd., 2023.



Figure 45
Perth County
Ownership Housing Growth by Structure Type, Historical and Forecast, 2001 to 2033



Note: 2021 to 2023 has been excluded for the purpose of this figure.
Source: Historical data from Statistics Canada Census Housing prepared by Watson & Associates Economists Ltd., 2023.

5.4.2 Forecast Housing Affordability Needs

The housing forecast by tenure and type has been examined from an affordability perspective. As shown in Figure 46, households with an approximate income of less than \$100,000 can afford a maximum rent of \$2,500 per month or a maximum purchase price of \$310,000.^[1]^[2] As mentioned in section 3.6, the average value of a dwelling in

^[1] Affordability in this context was calculated by assuming a maximum of 30% of household income is spent on shelter costs (property taxes, mortgage payment, monthly maintenance/fees, property insurance, and a down payment of 10%).

^[2] The Province of Ontario Provincial Policy Statement (2020) defines affordability as follows: (Ownership) housing for which the purchase price results in annual accommodation costs which do not exceed 30 percent of gross annual household income for low- and moderate-income households; or (ownership) housing for which the purchase price is at least 10 percent below the average purchase price of a re-sale unit in the regional market area. In the case of rental housing, the least expensive of a (rental) unit for which the accommodation cost does not exceed 30 percent of gross annual household income for low- and moderate-income households; or a (rental) unit for which the accommodation cost is at or below the A.M.R. of a unit in the regional market area.



the County has increased by 59% from \$389,500 in 2016, to \$618,000 in 2021. With a significant number of households unable to afford a new ownership dwelling, diversity of dwelling tenure and type is required to provide more housing options within the County. Under the 10-year forecast for the County, it is assumed that 41% of new housing units will serve households with an income of \$100,000 or less.^[1] The following observations can also be made:

- To accommodate the lowest income segments of Perth County's population, it is assumed that 40% of new rental units will accommodate households with a household income under \$40,000. Under the affordability threshold, the maximum rent these households could afford is \$1,000 month.
 - It is important to recognize that many households with income below \$40,000 can rely on savings to cover expenses and, as such, would not require affordable housing. This would largely represent retirees. Figure 46 details the affordable housing need assumptions for rental dwellings.
- Household incomes less than \$150,000 are defined as having limited home ownership options. These households can afford a dwelling cost up to \$460,000. Based on local price data, many of these households would not be able to afford a low- or medium-density dwelling type at average prices, unless purchasing a dwelling with a substantial down payment to significantly reduce the purchase price.
- Households with income greater than \$150,000 have the widest range of market housing options in Perth County. It is assumed that 80% of new ownership households in the County will be purchased by this \$150,000-and-greater household income group.

^[1] Households with an income of less than \$100,000 represent 56% of the housing stock, according to the 2021 Census.



Figure 46
Perth County
Housing Affordability Forecast by Tenure, 2023 to 2033

Household Income	Home Ownership (Dwelling Cost)	Rent (Month)	Forecast Growth, 2023 to 2033		Rental Type	Ownership Type
			Rental Dwellings	Ownership Dwellings		
Under \$20,000	Less than \$60,000	Less than \$500	90	10	Rental Assistance	Home Ownership - Need for Sufficient Pre-Existing Equity or Affordable Dwellings
\$20,000 to \$39,999	\$60,000 to \$125,000	\$500 to \$1,000	380	60		
\$40,000 to \$59,999	\$125,000 to \$185,000	\$1,000 to \$1,500	280	60	Potential Need for Rental Assistance	
\$60,000 to \$79,999	\$185,000 to \$245,000	\$1,500 to \$2,000	180	70		
\$80,000 to \$99,999	\$245,000 to \$310,000	\$2,000 to \$2,500	100	80	Free Market	
\$100,000 to \$124,999	\$310,000 to \$385,000	\$2,500 to \$3,125	50	80		
\$125,000 to \$149,999	\$385,000 to \$460,000	\$3,125 to \$3,750	40	50		
\$150,000 to \$199,999	\$460,000 to \$615,000	\$3,750 to \$5,000	50	420		
\$200,000 and over	Greater than \$615,000	\$5,000 and higher	10	1,170	Home Ownership - Wide Options	
Total			1,200	2,000		

The County’s 10-year housing forecast by structure type and tenure has been further analyzed to determine the number of affordable vs. market-based units in each category. The affordability of a unit is calculated against the average market rent or the average purchase price of a unit by structure type within a given year. As demonstrated previously in Figure 46, nearly all household income groups below \$150,000 within the County would not be able to purchase a low- or medium-density structure type based on income alone. Accordingly, general assumptions have been made regarding the down payment capabilities by age of the primary household maintainer, household income, and dwelling type. From these assumptions, a need for affordable dwellings is calculated for both rental and ownership households by structure type. Figure 47 displays the results of this analysis. The following can be observed:

- Only 19% of low-density units are forecast as affordable dwellings. While this is the lowest affordable dwelling type, there is still a substantial number of low-density units forecast in the County.
- Based on the anticipated family structures and household incomes within the County, it is assumed that 23% of low-density ownership units will need to be affordable. Increases in the low-density rental housing stock would not qualify as affordable rental units since they would not be purpose-built rental dwellings.^[1]

^[1] It is assumed that increases in the low-density rental stock are achieved through the secondary rental market, rather than the primary-built rental market. This implies that the home purchaser would function as a landlord, by renting the low-density dwelling. Since affordability would be calculated on the purchase price of the home in this instance, this would not be captured under the affordable rental category.



- Medium-density units are forecast to account for 29% of all new rental dwellings within the County in the next decade and 16% of the ownership housing growth as well. Of the ownership and rental units, 20% of medium-density dwellings are forecast as affordable.
- There are approximately 480 high-density dwellings forecast over the next 10 years, with most expected within the rental category. Of the total high-density units, 21% are forecast as affordable over the next decade.
- Secondary units form a component of the market-based segment of housing. An annual increase of 3 secondary units has been assumed for the purpose of this analysis.
- Overall, this analysis demonstrates that 19% of forecast housing growth between 2023 and 2033 is expected to require affordable housing.

Figure 47
Perth County
Forecast Housing Growth by Type, Tenure and Market, 2023 to 2033

Density Type	Ownership			Rental			Total		
	Affordable	Market-Based	Total	Affordable	Market-Based	Total	Affordable	Market-Based	Total
Low Density	380	1,230	1,610	-	400	400	380	1,630	2,010
Medium Density	70	250	320	60	280	340	130	530	660
High Density	10	50	60	90	330	420	100	380	480
Secondary Units	-	-	-	-	30	30	-	30	30
Total	460	1,530	2,000	150	1,040	1,200	610	2,570	3,200

Density Type	Ownership			Rental			Total		
	Affordable	Market-Based	Total	Affordable	Market-Based	Total	Affordable	Market-Based	Total
Low Density	24%	76%	100%	0%	100%	100%	19%	81%	100%
Medium Density	22%	78%	100%	18%	82%	100%	20%	80%	100%
High Density	17%	83%	100%	21%	79%	100%	21%	79%	100%
Secondary Units	0%	0%	0%	0%	100%	100%	0%	100%	100%
Total	23%	77%	100%	13%	87%	100%	19%	80%	100%

Note: Numbers may not add due to rounding.
Source: Watson & Associates Economists Ltd., 2023.



6. Addressing Perth County's Existing and Future Housing Needs

Figure 48 summarizes the current and future (10-year) housing needs collectively, summarizing the analysis presented in sections 5.3 and 5.4, respectively. As shown, the County of Perth requires approximately 3,515 units of new housing supply to meet the existing and future growth needs over the next decade. Annualized over a 10-year period, this represents an average of approximately 350 units per year. As presented in section 3.5, over the past five years (2018 and 2022), Perth County's total housing stock increased on average approximately 333 housing units per year. The housing need of approximately 350 units per year for the next decade represents an annual increase in total housing growth approximately 5% higher than the County's historical average over the past five years.

Of the 3,515 housing units required to address the County's current and forecast 10-year housing need, forecast housing demand by tenure is projected to be 43% rental housing (1,515 households), including both primary and secondary rental dwellings, and 57% ownership (2,000 units). Of the housing need, 26% (925 units) are affordable units. To achieve this target, the County will require a balanced supply of active development applications at various stages of development. This includes a sufficient supply of purpose-built rental and affordable projects in response to increasing demand for affordable rental accommodation throughout Perth County.

As presented in section 5.3, Perth County currently has approximately 1,720 housing units in the development approvals process. As shown in Figure 49, the supply relative to demand for affordable units is not well aligned. As illustrated, of the total housing supply, 2% comprises affordable units and 11% are for the market rental purposes, while the anticipated demand for affordable and market rental housing totals 26% and 30%, respectively.

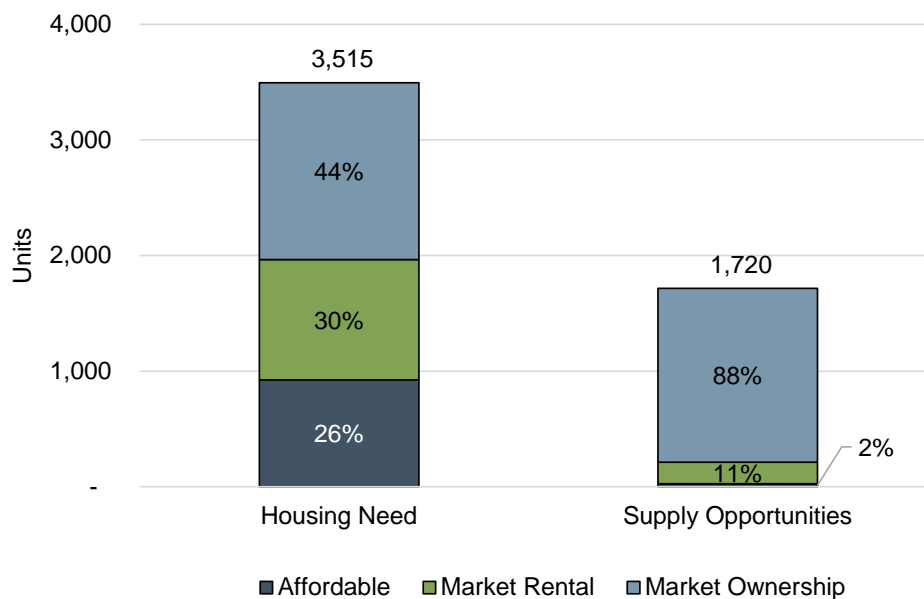


Figure 48
Perth County
Housing Needs – Existing and Future (10-Year)

	Current Housing Need			Future Housing Need			Total Housing Need		
	Ownership	Rental	Total	Ownership	Rental	Total	Ownership	Rental	Total
Affordable	-	315	315	460	150	610	460	465	925
Market	-	-	-	1,530	1,040	2,570	1,530	1,040	2,570
Total	-	315	315	2,000	1,200	3,200	2,000	1,515	3,515

Note: Numbers may not add due to rounding.
Source: Watson & Associates Economists Ltd., 2023.

Figure 49
Perth County
Existing and Future (10-Year) Housing Need vs. Supply Opportunities



Source: Units in the development approvals process provided by Perth County.
Forecast prepared by Watson & Associates Economists Ltd., 2023.

6.1 Housing Needs by Area Municipality

Figure 50 summarizes the current and anticipated future housing needs by area municipalities in Perth County. As shown, of the total 3,515 units required to address



the County’s current and forecast 10-year housing needs, 75% (2,365 units) are needed in North Perth, 14% (450 units) in West Perth, 9% (315 units) in Perth East, and 3% (95 units) in South Perth. Of the 925 affordable units need in the County, 680 (74%) are needed in North Perth, 105 (11%) in West Perth, 100 (11%) in Perth East and 40 (4%) in Perth South.

Figure 50
Perth County
Housing Needs – Existing and Future (10-Year) – by Area Municipalities

	Current Housing Need			Future Housing Need			Total Housing Need		
	Affordable	Market	Total	Affordable	Market	Total	Affordable	Market	Total
Perth South	25	-	25	15	55	70	40	55	95
West Perth	25	-	25	80	345	425	105	345	450
Perth East	50	-	50	50	215	265	100	215	315
North Perth	215	-	215	465	1,955	2,420	680	1,955	2,635
Perth County Total	315	-	315	610	2,570	3,200	925	2,570	3,515

Note: Numbers may not add due to rounding.
Source: Watson & Associates Economists Ltd., 2023.

6.2 Observations

As presented above, the County and its area municipalities will require a considerably greater supply of active market and affordable housing projects to be added to the development pipeline in an effort to meet current and future housing needs.

Meeting the short- and medium-term housing needs requires emphasis be placed on expanding the market and affordable housing to meet growing market demand. While the secondary market continues to be an important supplier of rental housing in the market, it is recognized that to significantly increase the supply of rental housing in the market will likely require greater participation by the private-sector development community and non-profit organizations to construct affordable housing.

To achieve the housing mix (i.e., built form, tenure, and affordability) of housing development activity needed to meet the existing and future housing needs identified herein, the County and its area municipalities will need to consider the following factors



in supporting/enabling a higher rate of residential development activity, with a particular effort in affordable housing in Perth County:

- **Quantum of Designated Developable Land Supply/Sites** – This includes designated greenfield lands and supporting infrastructure focusing on higher density development and promoting a range of infill/intensification opportunities including medium-density (“missing middle”) and high-density development as well as the development of secondary suites.
- **Regulatory Incentives** – This includes tools to assist in project feasibility through flexibility in the development approvals process (e.g., expedited processing), development permissions (i.e., building height, density), parking requirements, and design considerations.
- **Financial Incentives** – At the municipal level, this can focus on reducing the upfront financial obligations of the developer and/or reducing the operational costs moving forward.

To ensure the housing needs assessment remains current and reflective of housing needs in the community, consideration should be given to updating the needs assessment every three years.