

**DRAFT**

Niagara Region

# **Phase One: Background Report**

## **Niagara Region Housing Incentive Program**

**June 2025**

Niagara Region

## Phase One: Background Report – Housing Incentive Program

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#### **Disclaimer:**

*The conclusions contained in this report have been prepared based on both primary and secondary data sources. NBLC makes every effort to ensure the data is correct but cannot guarantee its accuracy. It is also important to note that it is not possible to fully document all factors or account for all changes that may occur in the future and influence the viability of any development. NBLC, therefore, assumes no responsibility for losses sustained as a result of implementing any recommendation provided in this report.*

*This report has been prepared solely for the purposes outlined herein and is not to be relied upon, or used for any other purposes, or by any other party without the prior written authorization from N. Barry Lyon Consultants Limited.*

## 1.0 Introduction

Niagara Region has implemented a wide range of incentive programs since 2002, which have involved both the administration of Regional programs as well as the allocation of funding through local-municipal incentive programs. As of 2021, the Region was participating in over 150 different incentive programs, which was resulting in significant challenges related to budget, financial and administrative resourcing, transparency in funding goals and objectives, consistency of program administration across each local incentive program, and many others<sup>1</sup>. In many instances, it was difficult to accurately understand the incentives available from the Region given this context.

Beginning in 2018, Regional Council directed staff to conduct a review of the Region's incentive offerings. The goals of this review were to assess current programs and create incentives that align with Regional priorities and responsibilities, address current and future needs, provide meaningful and measurable results, address the shifting legislative and market environment, and ensure incentives are sustainable, clear, and accountable. Further direction was provided by Council to align the incentive offerings within four priority areas, which was later refined to **three Priority Areas: Affordable Housing, Employment, and Brownfield Remediation**.

This review concluded in 2021 and resulted in the creation of the Niagara Regional Incentive Policy ('NRIP'). The NRIP had several impacts:

- Many of the existing incentive programs were reorganized and/or refined within the three Priority Areas.
- Some new incentive programs were created within each Priority Area.
- Some programs were recommended to expire because they were no longer relevant (e.g., development charges are now waived for non-profit affordable housing projects by Bill 23, meaning the program deferring development charges for non-profits was no longer required).
- Additionally, some programs were recommended to terminate because they were not aligned with Council priorities and the three Priority Areas.

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<sup>1</sup> <https://pub-niagararegion.escribemeetings.com/filestream.ashx?DocumentId=38947>

Specifically, the SNIP Tax Increment Grant and Smart Growth Regional Development Charge Reduction programs were recommended to terminate in 2021. Council extended both programs on two separate occasions in response to concerns from the development community, with direction for staff to create a New Housing Incentive Program in 2024. These programs are now set to expire April 1, 2026, at which time they will be replaced by the new Housing Incentive Program.

N. Barry Lyon Consultants Limited (NBLC) has been retained by Niagara Region to create this new Housing Incentive Program, which will reside in the Affordable Housing Priority Area. The purpose of this background report and analysis is to:

- Assess the housing incentive programs set to expire in addition to the other housing incentives offered through the NRIP.
- Identify the housing incentives offered through local municipal programs, upper levels of government, and new incentives required through recent legislative changes (e.g., Bill 23).
- Provide an overview of how municipalities can offer incentives to the development community, an evaluation of incentive types, an assessment of how incentives influence developer decision making, a review of incentive program case studies and best practices, and considerations related to incenting different housing outcomes (e.g., rental, ownership, affordable).
- Assess the Region's housing market including the identification of housing needs/gaps, how the existing housing stock is meeting the needs of current and future households, how the existing incentive landscape in Niagara Region addresses the identified needs, and how the expiring incentive programs were supporting historical growth.
- Define affordable and attainable housing and identify where affordability pressures start and stop based on rents/home prices relative to incomes and other socioeconomic indicators (e.g., core housing need).
- Identify the housing outcomes that could be targeted through a future housing incentive program, the types of incentives that could be offered, municipal finance considerations, possible program design and budgetary needs, and other similar considerations.

The findings and results in this background report will be informed through consultation with the Region's Working Group (i.e., internal staff from various

departments), local municipal CAO's and staff, the development community, Regional Council, and the public. This background report will be utilized to create three possible Housing Incentive Programs for continued consultation and refinement, which will then result in the creation of a single draft and final Housing Incentive Program for Council's consideration and adoption.

A separate report summarizing these consultation efforts will also be prepared.

## 2.0 Housing Incentive Context in Niagara Region

The following section provides an overview of the Region's current incentive offerings for residential development. This will include an assessment of currently in-force programs and under-development programs at both the lower and upper-tier level, municipal incentives required by new provincial policy, funding available through senior levels of government, and a discussion of the Region's expiring housing incentives and the new Niagara Region Incentive Policy (NRIP).

### 2.1 Expiring Niagara Region Incentives

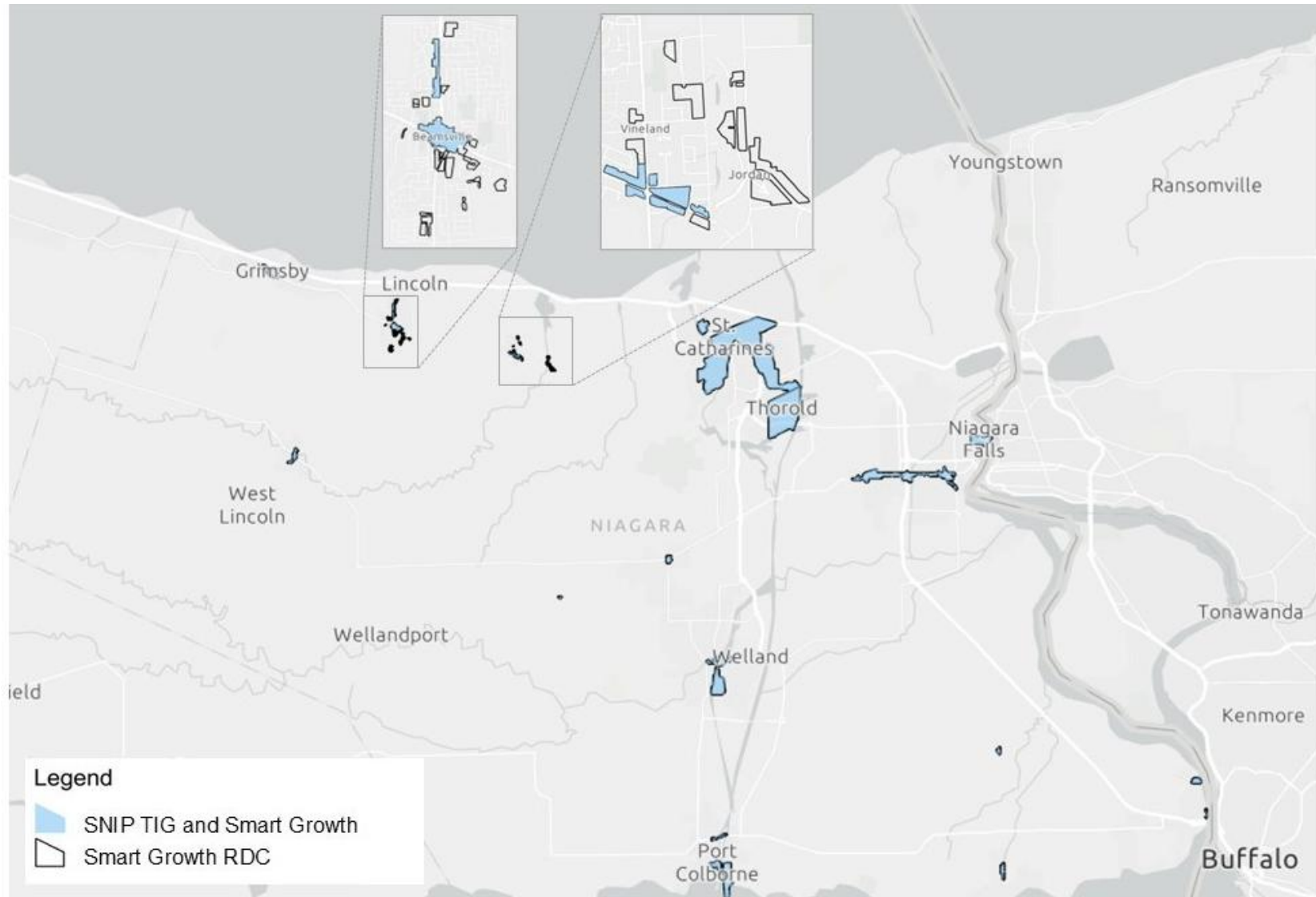
As part of a review that ultimately led to the new NRIP, the SNIP Tax Increment Grant and Brownfield Tax Increment Grant (SNIP TIG//BTIG) and Smart Growth Regional Development Charge (Smart Growth RDC) incentive programs were identified as not aligned with Regional priorities and were to expire in 2021. Despite Council extending the programs on two occasions, they are now set to expire by April 2026 and be replaced by a new Housing Incentive Program that is under study through this report.

The two programs, which are assessed in more detail to follow, offer relief from development charges and property taxes for targeted development outcomes in specific areas of the Region. As illustrated in **Figure 1** to follow, both programs largely overlap, meaning development in these areas would be eligible for both incentives, with the Smart Growth RDC applying in a few additional areas in Grimsby and Lincoln where the SNIP TIG/BTIG does not apply.

While the geographic extent of these programs is small relative to the Region as a whole, these areas largely represent the downtowns and/or strategic growth areas of the Region where growth and intensification is encouraged.

The following provides a more detailed assessment of these two programs, including an analysis of the types of housing development that have been supported.

**Figure 1: SNIP TIG and Smart Growth RDC Boundaries**



### **2.1.1 SNIP Property Rehabilitation and Revitalization Tax Incentive Grant (SNIP TIG)**

The SNIP TIG program is applicable in the areas identified in **Figure 1** and is administered through local municipal Community Improvement Plans (CIPs). As assessed to follow, both local and Regional property taxes are offset for eligible and approved developments in these areas through the provision of a grant covering a portion of the increase in property taxes resulting from new development, often for a period of 10-years.

Due to this context, the Region's participation in these local CIPs is limited only to the provision of funding. All other aspects of the CIP – implementation, by-laws, setting eligibility and other criteria, reviewing and approving applications, etc. are handled by the local municipality. Applicants therefore apply through the local municipality, and if approved, matching funding is requested from the Region. As illustrated by **Figure 1**, local area CIPs are in place within ten of the twelve local municipalities.

Each municipality has its own CIP, guidelines, and financial incentives aimed to promote investment in redevelopment projects that support local community improvement and renewal. Therefore, each local CIP is different in terms of the outcomes targeted, the incentive offered, the methodology to calculate the TIG, and other similar considerations.

It is also important to note that each local CIP is not solely targeting residential development, but could include both residential, mixed-use, and commercial investment, as well as brownfield remediation. The local CIPs generally do not require specific residential forms (e.g., apartments), tenure, or affordability requirements. Through the Region's review of this program, the following key characteristics of funded projects were identified:

- Over 90% of SNIP TIGs were for residential development, including some projects that were mixed-use.
- 45% of the SNIP TIGs were for Brownfield projects.
- Less than 0.05% of projects included affordable housing, as affordable housing is not a required criteria through these programs.



- Until 2023, the Region also matched simple grants (e.g., façade improvement grants) where they exist in local CIP programs.
- The brownfield portion of this incentive program will be addressed through the Brownfield Remediation Priority Area of the NRIP.

These tax incentive and grant programs aid in offsetting a portion of project expenses related to rehabilitation, reuse, redevelopment and brownfield remediation. The SNIP TIG incentive is funded with a budget established through allocation of assessment growth revenue. There is no cap on the amount of funding the Region can allocate for SNIP TIGs. There are also no criteria placed on the Region providing matching funding, aside from the requirement for projects to have been approved through the local CIP.

Of note, despite the Region ceasing participation in this program by April 2026, the local CIPs are currently positioned to remain in place. This means that local municipal incentives will still be offered, however the Regional portion of the property tax must now be paid by the applicant without an offsetting grant.

### ***2.1.2 Smart Growth Regional Development Charge Reduction Program (Smart Growth RDC)***

The Smart Growth RDC program is a Regional program that provides a grant rebate of 50% of Regional Development Charges for projects located within a Designated Exemption Area or a brownfield within an urban area. As illustrated by **Figure 1**, these areas largely overlap with the SNIP TIG program but also apply to some additional areas.

Unlike the SNIP TIG, the Smart Growth RDC incentive is administered directly by the Region. The incentive was previously provided through the Region's Development Charges By-Law but is now offered through Section 107 of the Municipal Act (see Section 3 of this report to follow for a discussion of incentive mechanisms).

To qualify for the Smart Growth RDC, projects must meet the following criteria:

- Projects must be located within the designated exemption areas as illustrated in **Figure 1**.

- The project must fulfill the required Smart Growth design criteria (outlined below) or achieve any level of LEED certification:
  - Reduction of water consumption through use of recycles wastewater, use of air conditioning condensate, use of captured rainwater etc.
  - To conserve energy and resources and reduce greenhouse gas emissions through garden roofs, high albedo materials, open grid ground treatment etc.
  - Architectural design elements that keep the form and massing of surrounding buildings
  - Appropriate bike parking and storage facilities
  - Pedestrian friendly streets through trees along streets, traffic calming features, safe off-street trails/walkways etc.

If the specified requirements are met, applicants have a period of five years from the execution date to submit a formal assessment application and qualify for a 50% rebate on Regional Development Charges. This incentive is therefore meant to assist developers in accommodating energy efficiency into their projects, but like the SNIP TIG there are no requirements for affordable housing or other specific housing outcome (e.g., form, tenure).

Like the SNIP TIG program, there is no maximum budget or other cap on the amount of funding the Region can allocate. As a result, the actual expenditure has fluctuated widely over the life of the program (~2002) and is subject to the number of applications received and approved. Ultimately, funding is only provided to projects that actually pull a building permit and advance construction.

### **2.1.3 Challenges Identified with the SNIP TIG and Smart Growth RDC Program**

There were several key challenges identified with both programs through the Region's incentive offering review, which are summarized below:

- Importantly, both programs do not align with the Three Priority Areas: Affordable Housing, Employment, and Brownfield Remediation. Given these programs do not have requirements related to housing affordability or need (e.g., tenure, form, price) they therefore do not directly align with the Affordable Housing Priority Area.

- There is no annual budget or other cap on the amount of funding the Region can allocate to these programs, which makes financial planning and budgeting difficult.
- In the case of the SNIP TIG, program administration is handled at the local municipal level, which limits the Region's control over the outcomes being incentivized. Further, many of the local CIPs are different from each other, which results in administrative complexity for Regional staff.
- The incentives offered through the SNIP TIG are provided over a length of time, most often being 10-years. The size of approved projects have also been increasing over time, which has had significant impacts on the Region's budget for these programs.
- While the Smart Growth RDC program has represented a smaller proportion of the overall incentive budget, it remains measurable as identified by **Table 1** below.
- Through the Region's incentive offering review, it was found that over 30% of the total incentive budget (~\$14M in 2021) was not aligned with the Three Priority Areas.
- Given many of the above findings, there is a general lack of consistency and clarity in funding allocations as well as the objectives being targeted. The Region's incentive offerings were also evolving over time to more closely align with local priorities rather than the Region's core business objectives.
- There is a disproportionate focus on market residential development (80% of funding directed to single-family homes, townhouse, and condominiums), with less than 0.5% allocated to affordable housing.

#### **2.1.4 SNIP TIG and Smart Growth RDC Transition Policy**

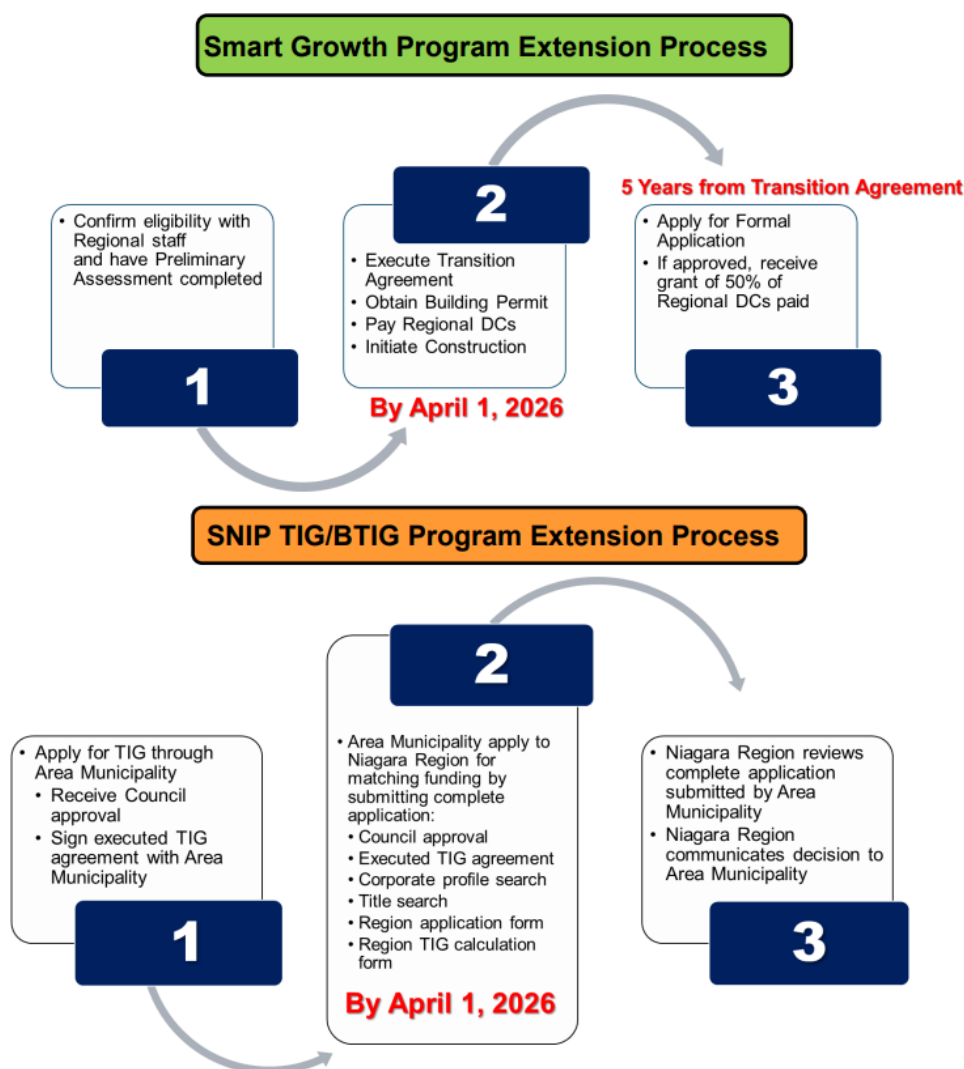
As identified earlier, the SNIP TIG and Smart Growth RDC programs were originally recommended to expire in 2021. Since that time, they have been extended on two occasions, most recently in September 2024. Both programs are now set to expire on April 1, 2026, with **Figure 2** illustrating the transition process for each.

As discussed later in this report, the Region no longer has planning authority or an Official Plan. This is anticipated to inhibit the Region's ability to match funding in a local Community Improvement Plan.

**Table 1: Region's Capital Allocation to the SNIP TIG and Smart Growth RDC Program Over the Past Five Years**

SNIP TIG and Smart Growth RDC Budget Information Niagara Region 2021- 2025					
Program Name	2021	2022	2023	2024	2025
TIGS - Brownfield and SNIP TIG	\$1,793,623	\$2,211,857	\$2,800,902	\$3,333,290	\$3,656,278
Smart Growth DC		\$369,700	\$75,853	\$75,853	\$2,000,000
<b>Total</b>	<b>\$1,793,623</b>	<b>\$2,581,557</b>	<b>\$2,876,755</b>	<b>\$3,409,143</b>	<b>\$5,656,278</b>
Source: Niagara Region					

**Figure 2: Smart Growth RDC and SNIP TIG Extension and Transition Process**



### 2.1.5 *Projects Supported Through the SNIP TIG and Smart Growth RDC Program*

Since 2011, the Region has approved just over 4,700 residential homes through the Smart Growth RDC Program. As illustrated by **Figure 3**, the majority (82%) of all housing units approved through the program have been apartments, with 18% being single/semi-detached and townhomes. However, the distribution is more even across housing types when viewed on an application basis, rather than the number of units proposed. This indicates that this program has been funding low-density market housing, with over 50 approved applications for new townhome and single/semi detached homes.

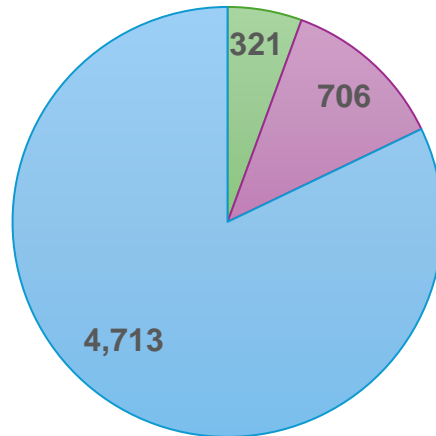
**Figures 3 and 4** illustrate how the approved applications to the Smart Growth RDC Program have shifted over time:

- Application volume has increased significantly over time.
  - Between 2011 and 2020, approximately 100 homes were approved annually through the program.
  - Since 2021, applications have increased dramatically to 700 units in 2021, 1,200 in 2022, and nearly 2,100 in 2024. There are also over 500 units expected to apply and meet the transition policy.
- The shift in volume of applications is driven almost entirely by an increase in apartment projects, which also includes several very large apartment buildings.
- As identified previously in this section, almost none of the approved projects are affordable housing. While the tenure is not known for many of the applications, it is expected that the majority are / will be condominium or freehold.
- In terms of location, the majority of applications are located in Niagara Falls with 920 units, followed by Welland with 555 units.
- Of note, some of these applications also applied / received the SNIP TIG incentive in addition to the RDC reduction.

Looking to the SNIP TIG program, the majority of applications and overall approved units have been for apartments as illustrated by **Figure 5**.

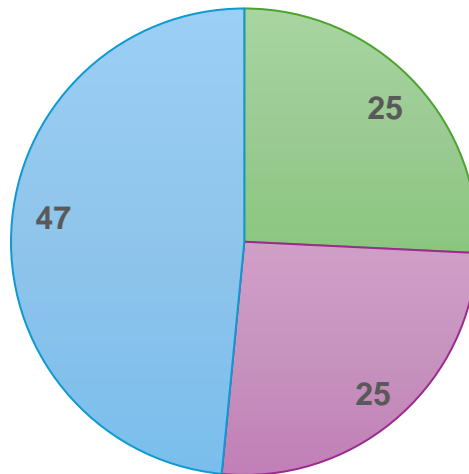
Figure 3

**# of Units Approved Through Smart Growth RDC Program by Housing Type (2011 - March 2025)**



■ Single/Semi ■ Row ■ Apartment

**# of Applications Approved Through Smart Growth RDC Program by Housing Type (2011 - March 2025)**



■ Single/Semi ■ Row ■ Apartment

Figure 4

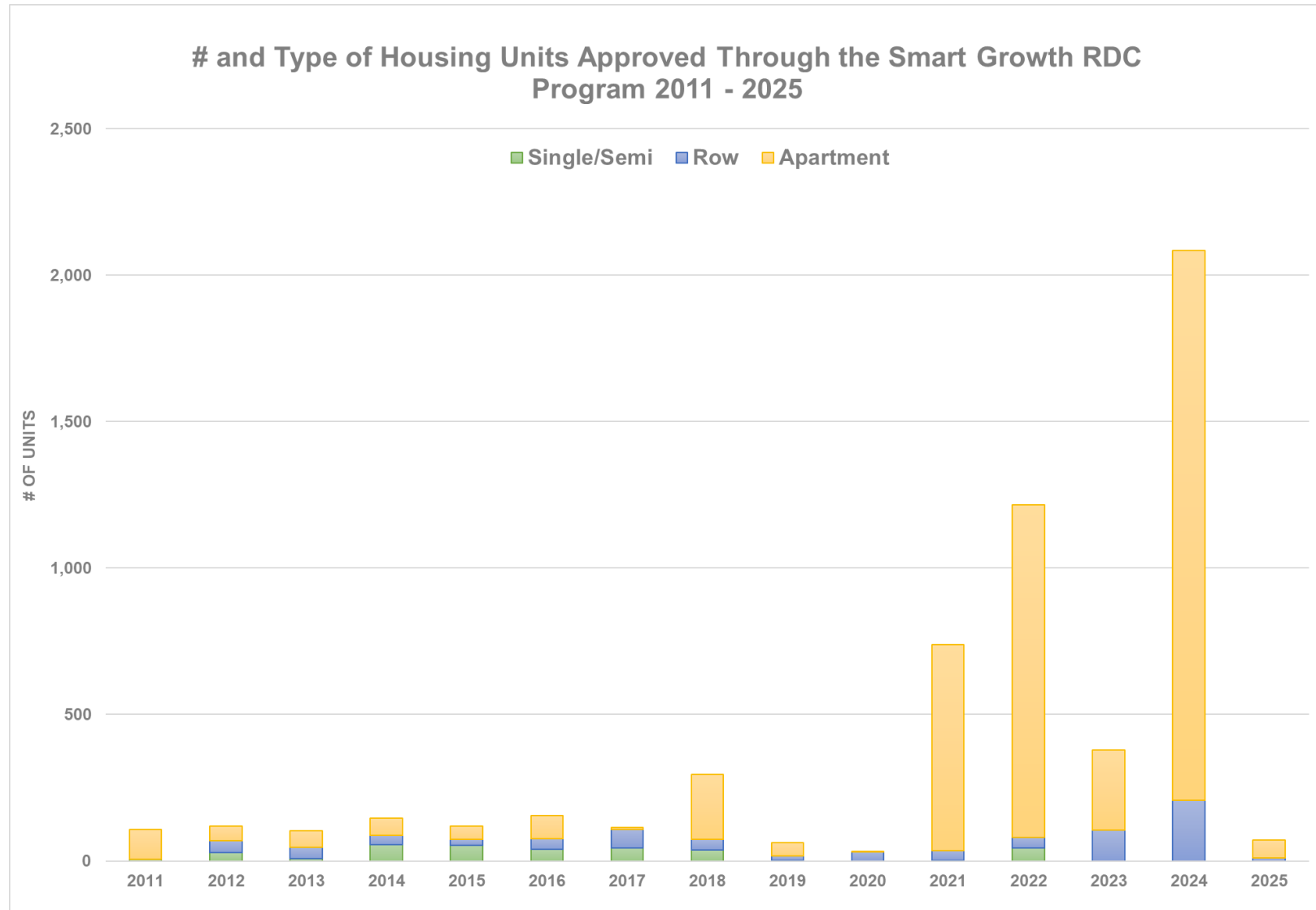
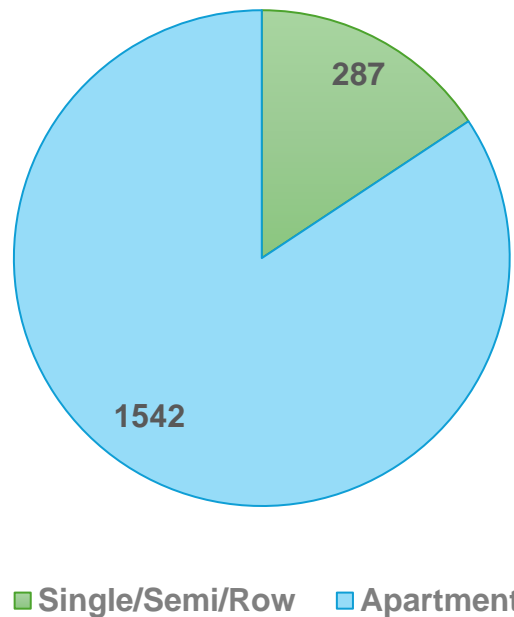
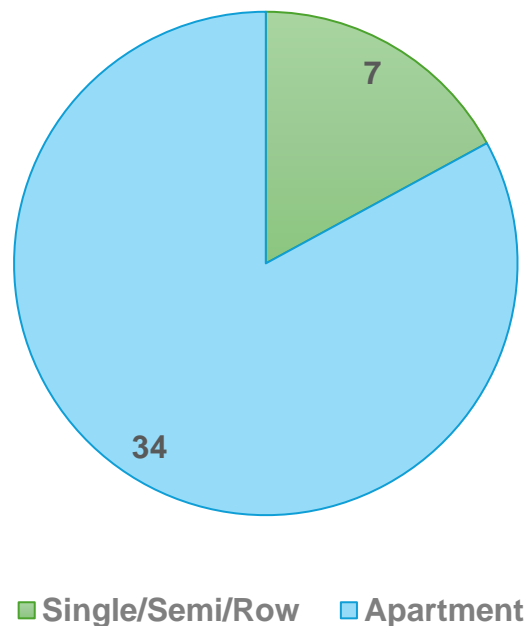


Figure 5

### # of Units Approved Through SNIP TIG Program by Housing Type



### # of Applications Approved Through SNIP TIG Program by Housing Type





Of note, while these figures illustrate approved projects, many of these projects approved in more recent years have not been built and therefore funding has been committed but not released. As of the writing of this report, it is not guaranteed that these will be built and therefore receive a grant, particularly given the significant economic challenges facing high-density residential development that are evaluated further in Section 4 of this report.

## 2.2 Current Niagara Region Housing Incentive Programs

Despite the expiry of the SNIP TIG and Smart Growth RDC Programs, Niagara Region continues to offer incentives for housing within the Affordable Housing Priority Area of the NRIP, in addition to incentives for the other Priority Areas (i.e., Brownfield and Employment).

**Table 2** provides an overview of the incentives and programs offered by Niagara Region for housing. The following summarizes the Region's current incentive offerings for housing:

- There are seven programs currently offered, some of which are incentives offered directly by the Region and others administering funding flow throughs from the Province.
- Four of the programs offer support to assist housing providers, non-profits, co-operatives, and rental operators with repairs and retrofits (e.g., accessibility, sustainability) to existing buildings.
- The Welcome Home Ownership Program offers downpayment assistance to support eligible households with the purchase of a home under \$405,900 in the Region.
- Two programs offer a grant offsetting development charge for supportive or affordable housing as well as for non-profits. While Bill 23 now requires development charge exemptions for affordable housing, these programs were retained for situations where a project might not be eligible for the as-of-right incentives required through Bill 23.
- The final program is the Partnership Housing Program that encourages partnerships with for- and non-profits to generate more purpose-built rentals and move clients off the housing waitlist by using a suite of Regional incentives customized by project. This program is currently unfunded and under review, which will be further considered through the development of the New Housing Incentive Program under study through this assignment.

Table 2

Niagara Region Housing Incentives			
Program Name	Program Description	Grant Type	Criteria
Partnership Housing Program	Partnerships with for – and non – profits to generate purpose – built rental and move clients off the housing waitlist by using a suite of Regional Incentives customized by project	Suite of incentives (e.g., TIGs, DC grants and deferrals) for Affordable Housing Capital Development	For-and non-Profits
Non-Profit RDC based Grant	A grant for up to 100% of DCs payable for eligible non-profit developments	Regional Development Charge Grant	Non-Profit development
Welcome Home Niagara Home Ownership Program	A forgivable loan for downpayment assistance of 5% to a maximum of \$20,296 (purchase price not to exceed \$405,903), as amended from time to time	Forgivable loan	Renters within certain income levels purchasing a home
Niagara Renovates Homeowner ship	Forgivable loan over 10 years for repairs and accessibility modifications	Forgivable loan	For low to moderate income households
Niagara Renovates Multi-residential	Forgivable loan over 15 years to fund repairs and provide accessibility	Forgivable loan	For affordable units in multi unit buildings
Non -Profit and Co -op Capital Repair Costs	Funding for capital repairs	Forgivable loan	For non-profit and co-op housing providers having agreements with NRH

**Niagara Region Housing Incentives  
(Table 2 Continued)**

<b>Program Name</b>	<b>Program Description</b>	<b>Grant Type</b>	<b>Criteria</b>
Housing Provider Capital Loan Program	Emergency loan program, with 25% forgivable over time, to support repairs	Loan and Grant	Non-profit and co-op affordable housing providers having agreements with NRH
<i>Source: Niagara Region</i>			

The Region is therefore offering a variety of incentives/programs aimed to support renovation and retrofits of existing buildings, supporting eligible households to purchase a moderately priced home, and grants and deferrals to create new affordable housing. These are in addition to the incentives required through Bill 23/134 that are summarized in more detail to follow.

With the expiry of the SNIP TIG and Smart Growth RDC Programs, there are currently no incentives available for market or attainable priced rental or ownership housing, aside from incentives targeting brownfield remediation.

## 2.3 Local Municipal Housing Incentive Programs

As summarized in **Table 3**, there are numerous incentive programs targeting residential development at the local municipal level throughout Niagara Region. More specific details around each program are available in the **Appendix** of this report.

While some of these programs specifically target affordable housing, such as Port Colborne and Welland's CIP, as well as the under-development CIP in St. Catharines that will be funded with the City's Housing Accelerator Fund, most local incentive programs are targeting a variety of residential outcomes without explicit requirements around housing form, tenure, or affordability. Notwithstanding this, these incentives would be available to stack with any funding made available for more specific housing outcomes.

**Table 3**

Local Municipal Housing Incentive Programs			
Municipality	CIP	Incentives	Affordability or Tenure Requirement
St. Catharines	St. Catharines CIP	TIG, ADU Grant, DC grant for Rental Housing, Grant for Accessible Housing	For some incentives
	Under-Development Affordable Housing CIP	TBD	Yes
Niagara Falls	Downtown CIP	TIG, Interest-Free Loan	No
	Drummondville CIP	TIG, Interest-Free Loan	No
	Lundy's Land CIP	TIG	No
Port Colborne	Comprehensive CIP	Urban Design Study Grant, Residential Grant, Affordable Rental Housing Grant, TIG, DC Grant	For some incentives
Thorold	Thorold CIP	TIG	No
Welland	Affordable Rental Housing CIP	Study Grant, Forgivable Loan, Residential Grant, Low-Cost Land, TIG	Yes
	Downtown Health and Wellness Cluster CIP	Residential Grant, TIG, Grant Covering Planning and Building Fees, DC Grant	No

Local Municipal Housing Incentive Programs (Table 3 Continued)			
Municipality	CIP	Incentives	Affordability or Tenure Requirement
Grimsby	Downtown Grimsby Community Improvement Plan	TIG, Grant Covering Planning and Building Fees, Grant Covering DC	No
West Lincoln	Township of West Lincoln Community Improvement Plan	TIG, Grant Covering Planning and Building Fees, Grant Covering DC	No
Fort Erie	Affordable Housing CIP	Per Door Grant, Study Grant, ADU Grant	Yes

## 2.4 New Mandated Housing Incentives

In addition to the above noted incentive programs offered through Regional and Local-Municipal CIP's and other programs, there are also various incentives now required as-of-right for municipalities to provide, in addition to other incentives made available by senior levels of government.

The following provides an overview of these incentives.

### 2.4.1 BILL 23/134 Fee and Charge Exemptions / Reductions

The Province of Ontario recently enacted legislation through Bill 23, and later refined through Bill 134, that establishes new definitions for Affordable Ownership and Rental housing (**Figure 6**). All units meeting this definition, including the requirement for the homes to remain affordable for at least 25-years, **would be exempt from paying Development Charges, Parkland Fees, and Community Benefit Charges.**

It is also noted that the same fee/charge exemptions would apply to any development advanced by a non-profit group, regardless of the price of the home.

**Figure 6: Bill 134 Affordable Housing Definitions to Determine Eligibility for Municipal Fee Exemptions**

Rental Criteria	Purchase Criteria
Tenant is arm's length from landlord	Purchaser is arm's length from seller
Rent is no greater than the lesser of: 1. income-based affordable rent for the residential unit (rent equivalent to 30% of a 60 <sup>th</sup> percentile renter income); and 2. the average market rent for the residential unit	Purchase price is no greater than the lesser of: 1. income-based affordable purchase price (annual accommodation costs equivalent to 30% of a 60 <sup>th</sup> percentile gross annual income); and 2. 90% of the average purchase price for the residential unit
Remains affordable for 25 years from the date the unit is first rented	Remains affordable for 25 years from the date the unit is first sold

**Table 4** to follow provides the sale price and rents that would qualify for these fee and charge exemptions in Niagara Region. Of note, the income-based approach results in the limiting factor for ownership housing and the market-based approach results in the limiting factor for rental housing. It is also important to note that parkland fees and community

benefit charges are only charged at the local municipal level, meaning only exempted development charges are required by Niagara Region. These rates are updated annually.

These incentives are offered as-of-right, with no need to apply to a program. Rather, they will be determined and applied at Building Permit, when these fees are typically paid by the developer. Of note, this legislative change has made some incentive programs in Niagara Region redundant and were therefore removed from the NRIP in 2024.

**Table 4**

<b>Affordable Housing Thresholds Exempting Development Charges, Parkland Fees, CBC – Niagara Region</b>					
<b>Municipality</b>	<b>Rental Housing (Market Factor)</b>				<b>Ownership Housing (Income Factor)</b>
	<b>Bachelor</b>	<b>One Bedroom</b>	<b>Two Bedroom</b>	<b>Three Bedroom</b>	<b>All Homes</b>
Fort Erie	\$949	\$977	\$1,077	\$1,484	\$323,400
Grimsby	\$949	\$1,229	\$1,394	\$1,484	\$441,900
Lincoln	\$949	\$1,229	\$1,394	\$1,484	\$431,200
Niagara-on-the-Lake	\$949	\$1,229	\$1,394	\$1,484	\$416,800
Niagara Falls	\$732	\$1,200	\$1,317	\$1,460	\$319,800
Pelham	\$949	\$1,229	\$1,394	\$1,484	\$463,500
Port Colborne	\$949	\$1,038	\$1,161	\$1,440	\$309,000
St. Catharines	\$1,053	\$1,338	\$1,552	\$1,620	\$309,000
Thorold	\$949	\$1,036	\$1,369	\$1,484	\$355,700
Wainfleet	\$949	\$1,229	\$1,394	\$1,484	\$402,400
Welland	\$784	\$1,043	\$1,229	\$1,115	\$305,400
West Lincoln	\$949	\$1,229	\$1,394	\$1,484	\$441,900
<b>Total/ Average (12)</b>	<b>\$926</b>	<b>\$1,167</b>	<b>\$1,339</b>	<b>\$1,459</b>	<b>\$376,667</b>
<i>Source: Provincial Housing Bulletin</i>					

In the case of a mixed-income building, the above fees and charges would be payable on any unit priced above the identified thresholds. However, Bill 23 also provides the following Development Charge reductions for all rental housing, including those rented at market rate:

- DC reduction of 25% for all rental units with three or more bedrooms
- DC reduction of 20% for all rental units with two bedrooms
- DC reduction of 15% for all rental units with one or fewer bedrooms

The Region also offers development charge exemptions for ADUs, and deferrals of development charges for rental projects until occupancy as opposed to payment at building permit. Soon, through Bill 17, these deferrals will soon be required for all development, in addition to other incentives and requirements aimed to increase housing supply (see 2.4.4 to follow).

#### **2.4.2 HST Exemption for Rental Housing**

Beginning in 2024, the Provincial and Federal governments implemented a new policy that completely exempts new purpose-built rental housing from paying HST (i.e., condominium projects will continue to pay HST as currently required, with applicable rebates). Rental developers were previously required to pay HST on a new purpose-built rental building based on the CRA's deemed disposition / self-supply clause.

However, new purpose-built rental housing in Ontario is now exempt from paying HST, subject to the development meeting the following:

- Construction has begun after September 12, 2023, and on or before December 31, 2030;
- Construction is substantially completed by December 31, 2035; and
- It is in a building with at least:
  - Four private apartment units (i.e., a unit with a private kitchen, bathroom, and living areas), or at least 10 private rooms or suites; and
  - 90 per cent of residential units designated for long-term rental

#### **2.4.3 New Property Tax Class for Rental Housing**

In 2024, the Ontario government filed a regulation giving municipal governments the flexibility to convey discounts of as much as 35% below the residential property tax rate for up to 35 years to encourage construction of new rental housing with at least seven



units. Under those rules, municipalities will first have to pass a bylaw to establish the subclass, and properties will qualify only if a building permit is issued after the bylaw is in place.

The Region must first implement the new sub-class, which will then allow local municipalities to follow suit if desired. Of note, the Region evaluated this new property tax class in 2025 and recommended it not be implemented at this time, but would be reevaluated through this study (Regional Report CSD 6-2025).

#### **2.4.4 Bill 17 (May 2025)**

Bill 17 was introduced by the Province in late May 2025 that aims to accelerate the supply of housing. Key features of this Bill include:

- Municipalities were required to defer the payment of development charges for rental housing until occupancy, with the ability to also apply interest. Bill 17 will now require that development charges be deferred until occupancy for all residential development and without the application of interest.
- The Bill also provides greater clarity and flexibility on development charges, including the ability to reduce development charges through a streamlined process.
- Limitations have been placed on the types of studies and peer reviews that can be requested through the development application process. Other processes to standardize and streamline the approval process.
- The ability to approve conditional Ministerial Zoning Orders that are subject to conditions and criteria prior to development occurring.
- Bill 17 will enable the MMAH to make regulations that permit certain minor variances to minimum setback distances set out in zoning by-laws “as-of-right”, thereby reducing the requirement for minor variances to be approved by the Committee of Adjustment.
- Restrictions on requiring design and other elements above and beyond what is required in Building Code Act.

#### **2.4.5 Federal Election April 2025**

Of note, many of the governing parties have proposed a variety of other incentives intended to spur housing supply and affordable housing through the 2025 election. The details of these programs are expected throughout the year as a party forms government and begins policy development. Some initial proposals have included waived or reduced

HST on condominium projects and first time buyers, increased support for first-time buyers, tax changes to increase the attractiveness of rental housing, and others.

## **2.5 Senior Level Government Housing Incentive Programs**

In terms of incentivizing the construction of new housing, there are three primary programs in place through CMHC that are responsible for funding much of the affordable rental housing delivered in Canada in recent years. These programs focus exclusively on rental housing, with a general lack of formal incentives for affordable ownership housing.

While both the Province and Federal governments offer other funding for deep affordability targeted towards non-profits, this is not the focus of this report and the New Housing Incentive Program.

The following provides an overview of these programs.

### **2.5.1 CHMC – Apartment Construction Loan Program (ACLP)**

Formerly known as the Rental Constriction Financing Initiative, the ACLP was renewed through the 2024 Federal budget. This program offers low-cost financing and other favorable lending conditions to encourage the delivery of “moderately affordable” rental housing and mixed-income projects. While the program does not offer capital grants, it provides low-cost financing enabled through a 1.1 debt coverage ratio, up to 100% loan to cost ratio, a 50-year amortization, and a low-interest rate comparable to the long-term government of Canada bond (~3.5%). While the affordable housing requirement is modest, funding is allocated on a competitive basis, with points granted based on how a project incorporates a variety of social, accessibility, and affordability criteria.

### **2.5.2 CMHC- Affordable Housing Fund (AHF)**

The AHF is like the ACLP in that it offers low-cost financing to support the delivery of new rental housing. However, this funding stream is more focused on deeply affordable housing delivered by non-profit developers, municipal housing corporations, and other similar groups. While the private sector is technically eligible, these groups are often more attracted to the ACLP program.

The loan terms are similar to the ACLP, however a grant of up to \$75,000 per unit is also available (to a maximum of 15% of project costs).

### 2.5.3 Other Programs

Other programs also exist, such as:

- MLI Select<sup>2</sup> program offers multi-unit mortgage loan insurance that reduces premium and offers longer amortization periods based on a project's commitment to affordability, accessibility, and climate compactivity.
- CMHC Innovation Fund<sup>3</sup> supports new ideas that will drive change and disrupt the industry — ideas and approaches that will evolve the affordable housing sector and create the next generation of housing in Canada.
- Rapid Housing Initiative<sup>4</sup> offers capital contributions for the rapid construction of new housing and/or acquisition of existing buildings for rehabilitation or conversion to permanent affordable housing.

## 2.6 Opportunities for Stacking of Incentives

As evaluated to follow, incentivizing new below-market housing can be expensive. Most municipal incentive programs are not adequately funded in isolation to incentivize their intended outcomes, meaning stacking with senior government programs such as the ACLP or MLI Select programs are required. Within a two-tier municipal structure, the stacking of funding between the local and regional governments is also a strong best practice and benefit.

It is therefore imperative that a new housing incentive program easily stacks and aligns with the various funding and incentive programs that exist, while also ensuring that any incentive structure is not redundant based on required or pre-existing programs or incentives. Within Niagara Region, this context is summarized below:

- **Federal Government:**

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<sup>2</sup> <https://www.cmhc-schl.gc.ca/professionals/project-funding-and-mortgage-financing/mortgage-loan-insurance/multi-unit-insurance/mliselect>

<sup>3</sup> <https://www.cmhc-schl.gc.ca/professionals/project-funding-and-mortgage-financing/funding-programs/all-funding-programs/affordable-housing-innovation-fund>

<sup>4</sup> <https://www.cmhc-schl.gc.ca/professionals/project-funding-and-mortgage-financing/funding-programs/all-funding-programs/rapid-housing>

- Low-cost financing and grants available through CMHC for low-income rental housing.
- Low-cost financing available through CMHC for moderately affordable and market-rate rental housing.
- Exempt HST for rental housing.
- **Provincial Government:**
  - Grants and other funding available for low-income housing.
  - Exempt HST for rental housing.
- **Niagara Region:**
  - Exempt development charges for homes that align with Provincial affordable ownership and rental housing definition and non-profit developers.
  - Reduced development charges for rental housing.
  - A variety of incentives for non-profits seeking to develop lower income housing.
- **Local municipalities:**
  - Exempt development charges, parkland fees, and community benefit charges for homes that align with Provincial affordable ownership and rental housing definition and non-profit developers.
  - Reduced development charges for rental housing.
  - A variety of incentives targeting a variety of market and below-market housing outcomes.

### 3.0 Incentive Program: Anatomy and Background Context

This section provides an overview of incentive programming with a focus on housing development of all types (e.g., market, rental, ownership, affordable, attainable, etc.).

This will include an overview of the relevant legislative context around bonusing, the mechanisms required to provide incentives to the development community, a review of how incentives work and their limitations, the types of incentives that can be offered, and a review of other relevant incentive programs in Ontario.

#### 3.1 Incentives Mechanisms

There are several mechanisms that a municipality can utilize to offer financial and non-financial support to the for-profit and non-profit development industry. The two most common mechanisms that are utilized to offer financial incentives are Community Improvement Plans (CIP) and Municipal Capital Facility By-Laws (MCFB). Section 107 of the Municipal Act as well as fee and charge by-laws can also allow the deployment of incentives; however, these are less commonly used for formal incentive programming.

One of these mechanisms are required to allow the delivery of financial incentives due to Section 106 of the Municipal Act, which prevents municipalities from assisting development through the granting of bonuses.

The following provides an overview of each mechanism.

##### 3.1.1 Section 106 and 107 of the Municipal Act

Section 106 of the Municipal Act states that

*106(1) Despite any Act, a municipality shall not assist directly or indirectly any manufacturing business or other industrial or commercial enterprise through the granting of bonuses for that purpose.*

*106(2) Without limiting subsection (1), the municipality shall not grant assistance by,*

*(a) giving or lending any property of the municipality, including money;*

*(b) guaranteeing borrowing;*

*(c) leasing or selling any property of the municipality at below fair market value; or*

*(d) giving a total or partial exemption from any levy, charge or fee. 2001, c. 25, s. 106 (2).*

Notwithstanding the above, both Section 28 of the Planning Act (CIP) and Section 110 of the Municipal Act (MCFB) permit the granting of incentives, which are both explored to follow.

Interestingly, Section 107 of the Municipal Act also states:

*107(1) Despite any provision of this or any other Act relating to the giving of grants or aid by a municipality, subject to section 106, a municipality may make grants, on such terms as to security and otherwise as the council considers appropriate, to any person, group or body, including a fund, within or outside the boundaries of the municipality for any purpose that council considers to be in the interests of the municipality.'*

### **Consideration:**

While section 107 of the Municipal Act does allow for the provision of grants, it has been less commonly used as a mechanism underpinning the creation of a formal incentive program in Ontario relative to CIP's and MCFB's.

Typically, communities have used MCFB's and CIP's because they include formal frameworks, by-laws, public participation, and overall heightened transparency around how incentives will be offered to achieve specific outcomes, monitoring frameworks, eligibility and approval processes, and other similar matters.

### **3.1.2 Community Improvement Plan (CIP)**

A CIP is a tool that enables municipalities to achieve broad land use planning and economic policy objectives by offering financial incentives to attract private investment. Through Section 28 of the Planning Act, municipalities must adopt policies within the Official Plan and approve an implementing by-law to designate a community improvement project area, which can be restricted to a specific location(s) or be municipality wide.

Common objectives of a CIP can include downtown / neighbourhood renewal, affordable housing, employment growth, transit-oriented development, brownfield remediation, property improvements, sustainable design, and many others.

Section 28(7.2) of the Planning Act also allows lower- and upper-tier municipalities to participate in each other's CIP, which has been the case with the expiring SNIP TIG program within Niagara Region. The Section states

*“The council of an upper-tier municipality may make grants or loans to the council of a lower-tier municipality and the council of a lower-tier municipality may make grants or loans to the council of the upper-tier municipality, for the purpose of carrying out a community improvement plan that has come into effect, on such terms as to security and otherwise as the council considers appropriate, but only if the official plan of the municipality making the grant or loan contains provisions relating to the making of such grants or loans”.*

### **Consideration:**

Like other upper-tier governments in Ontario, Bill 185 has removed planning responsibilities from Niagara Region. As a result, Niagara Region’s Official Plan will no longer be a Regional Official Plan but rather will integrate with lower-tier Official Plans until such lower-tier Official Plans are updated.

This will impact the ability for Niagara Region to use a Regional CIP as Official Plan policies are required to implement the plan. This also limits the ability for Niagara Region to offer matching funding through a Local CIP, meaning a CIP is likely not the right mechanism to support incentives at the upper-tier regional level.

### **3.1.3 Municipal Capital Facility By-Law (MCFB)**

A MCFB is like a CIP in that it offers a municipality the flexibility to provide financial incentives to the development industry in exchange for affordable housing. Niagara Region currently has a MCFB and are in the process of updating it, which this report will further inform if it is selected as the desired incentive mechanism. Of note, and as will be identified to follow, many housing incentive programs in recent years have elected to use a MCFB over a CIP, including major programs implemented by the City of Toronto and Region’s of Peel and Durham.

Key considerations of a MCFB relative to a CIP include:

- Like a CIP, Section 110(9) of the Municipal Act allows lower-tier municipalities to offer incentives through a Regional MCFB, and vice versa.



- All the incentives that can be offered through a CIP are also eligible to be used through a MCFB. However, a MCFB has additional permissions that allow the municipality to completely exempt development charges and property taxes from being paid, as opposed to a CIP offsetting these charges through grants and TIEGs (i.e., through a CIP a developer must pay the property tax and later be refunded through a grant, whereas a MCFB allows the property tax to be exempted without payment).
- While the definition of what constitutes a municipal capital facility is narrow, affordable housing is specifically permitted. However, other objectives such as downtown renewal, office investment, sustainable design, and others are not eligible capital facilities and would therefore require a CIP or other approach.
  - This means that Niagara Region could use a MCFB for affordable housing as defined by the by-law but would require a different incentive mechanism to incentivize other outcomes.
  - While affordable housing is a relative term, it can be defined based on housing needs in the community. For example, Peel Region's MCFB defines affordable rental housing as 170% of the CMHC Average Market Rent (AMR) or below, which is nearly market-rate rental housing. This allows flexibility in incentivizing a wide range of housing needed in the community.
- Both a CIP and MCFB can apply municipality-wide or be geographic-specific.
- All other elements of program design can be identical between a CIP and MCFB, including the establishment of eligibility and scored criteria, defined application window vs. first come first served application and approval processes, creation of contribution agreements, and others.

### **Consideration:**

Given that this assignment is to create a Housing Incentive Program, a MCFB is likely an appropriate tool. Further clarifications with Niagara Region legal staff may be needed if market-rate housing (e.g., purpose-built rental) is a desired outcome given the limitation of the tool to only affordable housing.

#### **3.1.4 Fee and Charge By-Laws**

Some municipalities will also incorporate incentives directly into their fee and charge by-laws, where affordable housing is exempt from development charges or other planning and building fees.



Most communities have moved away from this practice in recent years because it does not provide flexibility to make adjustments over time, instead requiring that these by-laws be formally amended. In the case of development charge by-laws, this requires public consultation and also carries appeal rights in addition to formal council approval.

### **Consideration:**

As identified in Section 2 of this report, Niagara Region historically offered the Smart Growth RDC through the Region's Development Charge By-Law. This practice was discontinued due to the above issues and best practice of communities increasingly utilizing other mechanisms to offer incentives.

## **3.2 Common Incentive Types**

There are a wide variety of incentives that can be offered through any of the mechanisms identified in Section 3.1:

### **▪ Regional Municipal Incentive Tools:**

- Regional grant not tied to individual fees and charges (e.g., per unit or project grant)
- Regional grant tied to specific fees and charges (e.g., development charges, planning applications fees, etc.)
- Grant tied to a specific outcome or study (e.g., façade improvements, urban design study, sustainable design, etc.)
- Low-cost or forgivable loans
- Tax Increment Equivalency Grants for Regional property taxes (TIEG)
- Region owned land at discounted or no cost

### **▪ Local Municipal Incentive Tools:**

- Local grant not tied to individual fees and charges (e.g., per unit or project grant)
- Local grant tied to specific fees and charges (e.g., development charges, planning applications fees, building permits, community benefit charges, parkland fees, etc.)
- Grant tied to a specific outcome or study (e.g., façade improvements, urban design study, sustainable design, etc.)

- Low-cost or forgivable loans
- Tax Increment Equivalency Grants for Local property taxes (TIEG)
- Local municipally owned land at discounted or no cost

As identified earlier, both Regional and Local municipal incentives can be offered through a single CIP or MCFB. Also of note, a MCFB allows a municipality to exempt the payment of development charges and property taxes completely, as opposed to a CIP where the developer must pay these fees and be reimbursed through a grant.

Generally, these incentives can be broken into several categories based on their structure and impact on municipal finance:

### Grants:

The Region can offer a grant to cover the required subsidy that is not tied to any specific charge or fee that a developer encounters when developing real estate. This could involve a per project or per unit grant (e.g., \$50,000 per unit).

Alternatively, the Region can offer grants that are specifically tied to a development related fee or charge such as development charges. As outlined later in this section, some incentive programs will offer both grant types (e.g., grant covering the cost of development charges and a capital grant for \$25,000 per door).

Both approaches are common in Ontario incentive programs for both market-rate and affordable housing development. Both approaches would also require funding directly from the municipal tax base.

### Loans

Loans can also be offered to assist with the creation of new housing developments. For loans to have a meaningful impact, they must be offered with more favourable conditions than what a borrower could receive in the private market. Examples include:

- **Reduced Interest Rate:** Offer a loan at an interest rate below what is offered through major lenders.
- **Interest Free:** Offer a loan with no interest payments.
- **Forgivable:** Offer a loan that is forgivable if certain conditions are met.

- A forgivable loan is simply a loan that does not need to be repaid if certain conditions are met. As explored in the case study analysis to follow, every CIP requires that the incentive be repaid if the recipient does not adhere to the agreed upon terms. Therefore, most grants are technically forgivable loans, and vice versa.

While loans can be an effective source of funding in some circumstances, they are not typically used to encourage new residential development for a variety of factors:

- Depending on project size, a construction loan for a high-rise project will be significant (e.g., \$20M - \$120M).
- There are already programs offered through CMHC, Infrastructure Ontario, and other sources that provide low-cost loans to residential builders seeking to construct affordable and rental housing. Further, developers already have strong access to capital and financing.
- Municipalities have limited debt capacity, making senior levels of government better suited to financing new development.

Loans would be funded through the municipal tax base.

## Property Taxes

From a municipal finance perspective, property tax incentives are often viewed favourably because property taxes are paid by the developer and then refunded by the municipality through a grant over a period of time. Some municipalities may also rationalize this incentive through the understanding that the increase in property tax would not have occurred without the incentive provided. Notwithstanding this, it is also important to understand that new development drives the need for municipal services that are normally funded through the property tax, which extends this burden to the property tax base at large for the duration of the grant.

Property taxes can be incentivized in many ways:

- In the case of a MCFB, property taxes can be exempt partially or completely for a period of time. This differs from a TIEG where a developer is required to pay their property tax and then be refunded through a grant.

Example: The City of Toronto's Affordable Housing Incentive Program fully exempts property tax payments for affordable units over the length of affordability, in addition to other fee and charge exemptions.

- A grant fully or partially covering the increase in property tax because of redevelopment over a defined time limit. This is often referred to as a Tax Increment Equivalent Grant (TIEG) and is the most common approach to offsetting property taxes through a CIP, but could also be used with a MCFB.
  - Example: A gas station was paying a property tax of \$10,000 per year and was redeveloped with a rental building that is now required to pay \$100,000 per year. The \$90,000 increase in property tax is fully or partially offset for a period of time.
- Either approach identified above can be offered for a defined period, with many CIPs also scaling back the incentive over time (e.g., 100% refund in year 1, reducing by 10% over ten years, with the developer paying the full property tax amount in year 11). Alternatively, some programs maintain a full refund/exemption for the incentive period.

Most CIPs use TIEGs as described above, with the proportional refund in property tax decreasing each year until it expires. The City of Peterborough however offers the full incremental property tax refund over a 10-year period.

TIEGs also scale with the size of the project, making them appropriate for small scale investments such as minor commercial use improvements, as well as major construction projects. Other types of grants, however, need to be 'right sized' to the project scale and outcomes being incentivized.

- Finally, as identified in the previous Section of this report, the Province has also recently allowed a municipality to introduce a new multi-residential tax class that would reduce the property tax paid by up to 35% for eligible rental properties. This could be offered without the need for developers to apply and be approved through a formal incentive program.

Offsetting property taxes for a new rental building reduces the project's operating costs. Property taxes, along with other items such as property maintenance, management, utilities, etc. make up the operating budget of a building. This incentive therefore improves the profitability of a rental project by reducing its annual operating cost.

For a condominium project, a grant would be paid to the developer equivalent to the property tax payment over a period of time.

Property tax incentives would be funded through the municipal tax base.

## Land

Offering land at below market value, and potentially at no cost, can be a highly effective incentive to encourage targeted outcomes such as affordable housing. For many rental and affordable housing providers, purchasing land at market value can be a significant barrier.

A CIP or MCFB will be required for the land to be sold or leased at a below-market value. However, a municipality would not simply list land as an eligible incentive through the program, rather these are only the mechanism for offering the land at a reduced value as required by the Municipal Act. The process for disposing of a property will require a separate Request for Proposal process with significant due diligence on the behalf of the municipality.

Typically, municipalities that have offered land as an incentive do so for the creation of deeply affordable housing.

There are many examples of municipalities disposing of land at reduced value through either a CIP or a Municipal Capital Facility By-Law. The City of Toronto's Housing NOW program is one example of this.

### 3.2.1 *Non-Financial Incentives*

It is also important to note that there are other incentives a municipality can offer that are not financial outputs from the Region. These include actions such as increasing the residential density permitted, offering density as-of-right without lengthy and uncertain approvals, introducing flexible and less restrictive zoning standards, and approving projects more quickly through the implementation of a concierge or other similar program. These actions create value by providing more certainty and reducing risk to development proponents, reducing development timelines and carrying costs, and increasing the value of a project through increased density.

Reducing parking requirements, particularly for affordable housing, can also have a significant impact on project feasibility. With underground parking spaces costing

upwards of \$100,000 per space<sup>5</sup>, reducing these requirements can have a meaningful reduction in project costs.

However, many of the above items are not within the Region's control, particularly with the removal of the Region's planning authority.

### **3.3 How do Incentives Influence Developer Decision Making**

It is important to identify that financial incentives do not create or influence demand. For instance, there are many CIPs attempting to encourage new office investment in suburban locations that have received no take-up, which is because there is limited demand for new major office investment in these locations. In Mississauga for example, a significant package of incentives for new office investment in the downtown has received no take-up, whereas continued office investment has occurred in other areas of the City (e.g., Airport Corporate Centre, Meadowvale) despite no incentives being offered in these areas.

Financial incentives are only effective when demand for a specific outcome is strong, but the financial performance of the project is below a developer's profit expectation or alternative investment opportunity. Incentives can improve the economics of a project by reducing costs or adding revenue to overcome disadvantaged market characteristics, site constraints, higher costs relative to developing in other locations, offsetting reduced revenues through the provision of affordable / below-market housing, and other similar considerations. In the case of incentivizing rental and below-market rental housing, there is very strong demand for this housing evidenced by low-vacancy, long wait list for community housing, and eroding affordability (see sections 4 and 5 to follow). Therefore, as observed broadly across the Province, developers are not advancing this housing at greater scale because the financial performance of building rental and below-market rental housing is not financially attractive, despite there being strong demand. These are the conditions where incentives can play an effective role

Ultimately, incentive programs are voluntary with no mechanism available that forces developers to participate and develop new housing. For affordable housing in particular, if the incentive package is not rightsized to the program requirements and local market, it

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<sup>5</sup> 2025 Altus Cost Construction Guide

will not be successful. The incentive offered must therefore be sufficient or developers do not apply.

Finally, incentive programs targeting affordable housing are most impactful when they are available over the longer term with predictable funding streams and outcomes. For instance, the City of Toronto's Open Door Incentive Program has secured larger and better outcomes over time since this program was first introduced in 2016. This is because developers and non-profits have had time to understand the program and begin formulating business plans, securing other sources of funding, and advancing development applications. In general, municipal incentive programs are rarely enough on their own to result in viable affordable housing projects, rather stacking with other funding and financing programs are needed.

### **3.3.1 Non-Profit Development Economics**

A non-profit developer will evaluate a real estate development by considering the following, which are further illustrated in **Figure 7**:

- The hard costs (i.e., the construction costs of building the project) and soft costs (i.e., all other costs a developer will encounter) when developing real estate. Soft costs include government fees and charges, financing costs, consultant costs, development and construction management, and land costs (the cost of acquiring land, unless it is already owned or provided for free);
- The rental revenue and operating expenses of the project to determine the Net Operating Income ("NOI")<sup>6</sup>;
- The project costs that can be financed through the building's NOI; and
- The remaining project costs that must be front ended through equity (e.g. total project costs – financed amount = equity requirement).

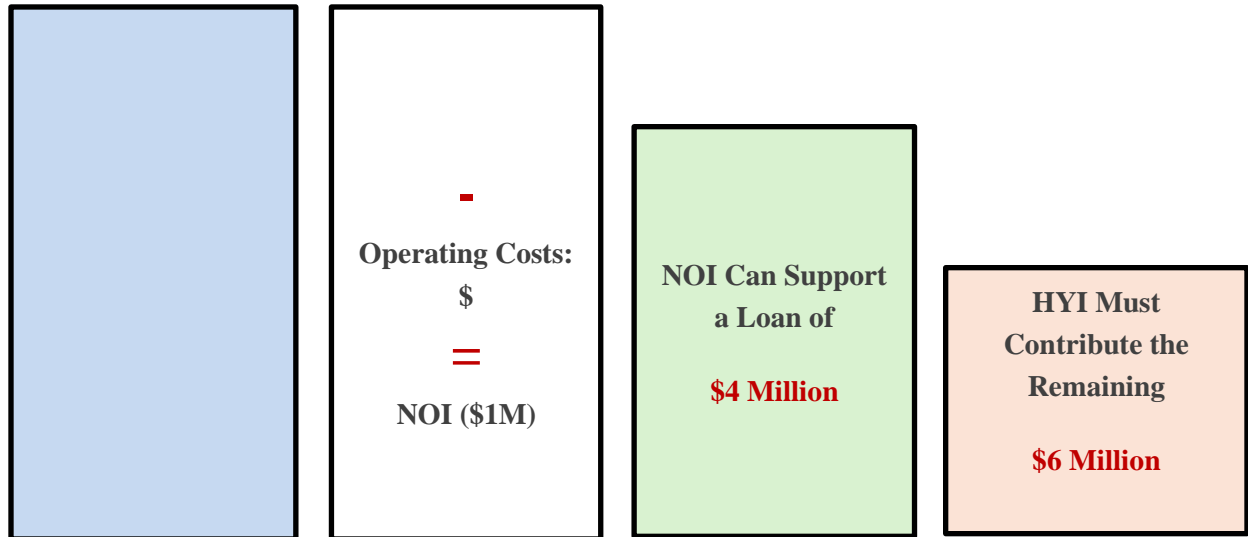
A non-profit will seek to maximize the loan in order to finance as much of the project costs as possible. This is because these organizations have limited access to capital and will turn to various government funding programs, as well as philanthropy and other internal revenue sources to raise capital to fund the outstanding equity payment for the project to advance. The CMHC ALCP and AHF financing program assists by offering a lower Debt Coverage Ratio (DCR) of 1.1, which allows a developer to use more of the NOI to service

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<sup>6</sup> NOI is calculated by subtracting all operating costs, including vacancy and bad debt, from the annual rental revenues.

debt. These programs also offer a lower interest rate and longer amortization period that allows the developer to secure a larger loan, thereby reducing equity requirements.

**Figure 7: Non-Profit Development Economics (values shown below are illustrative only)**



In the above example, the non-profit would need \$6M in funding to advance the project, assuming they have no cash reserves or other means of raising capital. They are unconcerned about any return or profit; rather, they are seeking sources to fund the outstanding equity needed to advance a financially sustainable building (i.e., no need for ongoing operating and capital subsidies).

### 3.3.2 For-Profit Developer Economics

Relative to non-profit organizations, a for-profit developer has greater access to capital and is therefore more capable of allocating equity into a development project (e.g. land acquisition and the up-front equity not covered by the construction/permanent loan) to earn a cash flow over the life of the building. Developers often use the Internal Rate of Return (“IRR”), amongst other return metrics, to assess the viability of a rental development opportunity. The IRR assesses the rate of growth that an investment is expected to generate by accounting for the initial capital investment, the cash flow of the building over a defined number of years, and the expected exit value in the future (**Figure 8**).

If the IRR is above the developer’s hurdle rate, they will advance the project. If the IRR is below their hurdle rate, they will either seek support (e.g., incentives, more density, parking reductions, etc.), pursue a condominium building or alternative development



scheme, or not advance the project at all. In Niagara region, the supply of market rate rental housing has been very modest, indicating weak feasibility.

**Figure 8: Private Developer Economics - IRR (values shown below are illustrative only)**

Project Budget	\$10 M
Financing Supported by NOI	\$4 M
Equity / Capital Requirement	\$6 M

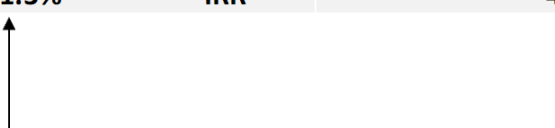
  

Year 0	-\$6,000,000	Expenditure
Year 1	\$200,000	
Year 2	\$250,000	
Year 3	\$300,000	Cash Flow
Year 4	\$300,000	
Year 5	\$355,000	
	\$9,500,000	Exit Value
	11.3%	IRR

When affordable rents are added to the project, the performance is impacted in several ways (**Figure 9**):

**Figure 9: Affordable Housing Impacts on IRR (values shown below are illustrative only)**

Market Rate Project			Affordable Housing Project		
Year 0	-\$6,000,000	Expenditure	Year 0	-\$7,000,000	Expenditure
Year 1	\$200,000		Year 1	\$100,000	
Year 2	\$250,000		Year 2	\$150,000	
Year 3	\$300,000	Cash Flow	Year 3	\$200,000	Cash Flow
Year 4	\$300,000		Year 4	\$200,000	
Year 5	\$355,000		Year 5	\$255,000	
	\$9,500,000	Exit Value		\$8,000,000	Exit Value
	11.3%	IRR		4.3%	IRR


  
 The goal is to provide a market return  
 (i.e., the affordable project to  
 produce an IRR of 11.3%)

- The NOI is reduced due to lower rents, resulting in a lower cash flow over the life of the building.
- A reduced NOI results in a lower loan, requiring more equity up-front to advance the project.
- The building value is reduced because of the lower rents.

The cumulative impact of the above is a lower IRR due to reduced profitability, increased risk, and increased capital requirements. Financial subsidy can be provided, whether as upfront capital (e.g., grant, reduced fees and charges, etc.) or ongoing operating cost reductions (e.g., property tax reductions, TIEG), to offset the provision of affordable housing to restore the IRR to a rate that is attractive to the industry.

### **3.3.3 *Timing of Incentives***

As assessed to follow in Section 3.5, grants and loans are almost always provided once a building permit has been pulled. There are several factors as to why this is the case:

- The incentive is provided only when the developer intends to build the project, thereby reducing capital and financing costs at the outset of construction.
- It limits the municipality's exposure to granting funding and the project not advancing for many years, or at all.
- All approvals are in place, the characteristics of the projects are known, and financing as well as other incentives and funding have also been secured.

In some situations, incentives are provided sooner than building permit and rather are offered at the time of payment. For example, grants offsetting planning application fees are often provided at the time of their payment, which can be much earlier than building permit issuance. On the other hand, incentives covering property taxes (e.g., full exemption through a MCFB or a TIEG) would not be provided until the building is built and reassessed by MPAC, which can be several years after building permit issuance. Some incentive programs may also offer grants covering the costs of due diligence and studies, which would also occur well before building permit.

It is also important to note that some developers, and particularly non-profits, identify the need for funding well in advance of purchasing land and submitting development applications. This is commonly referred to as 'seed funding', which can be helpful in allowing these groups to investigate opportunities and pay for initial due diligence work. However, there is also a much higher risk that this funding never results in the creation of

new housing. As such, seed funding is typically requested and provided from senior levels of government, rather than municipal incentive programs.

### 3.4 Affordable Ownership vs. Affordable Rental

As identified to follow, the vast majority of housing incentive programs in Ontario target affordable rental housing rather than ownership. Despite there being many gaps in the housing spectrum, it is challenging for a municipality to find a sufficient budget to incentivize a wide range of outcomes, with most communities electing to target rental and below-market rental housing.

The primary critique of affordable ownership housing is that it is most often affordable to the first purchaser only, who can then sell the home at market value in the future. Affordable rental housing on the other hand will be affordable for an agreed upon length of time, which is typically 20+ years. While one-time affordable ownership leads to better housing outcomes for a small number of moderate-income households, longer term affordability is often not secured. As a result, nearly all the incentive programs currently available through the Federal, Provincial, and Municipal government target affordable rental housing exclusively.

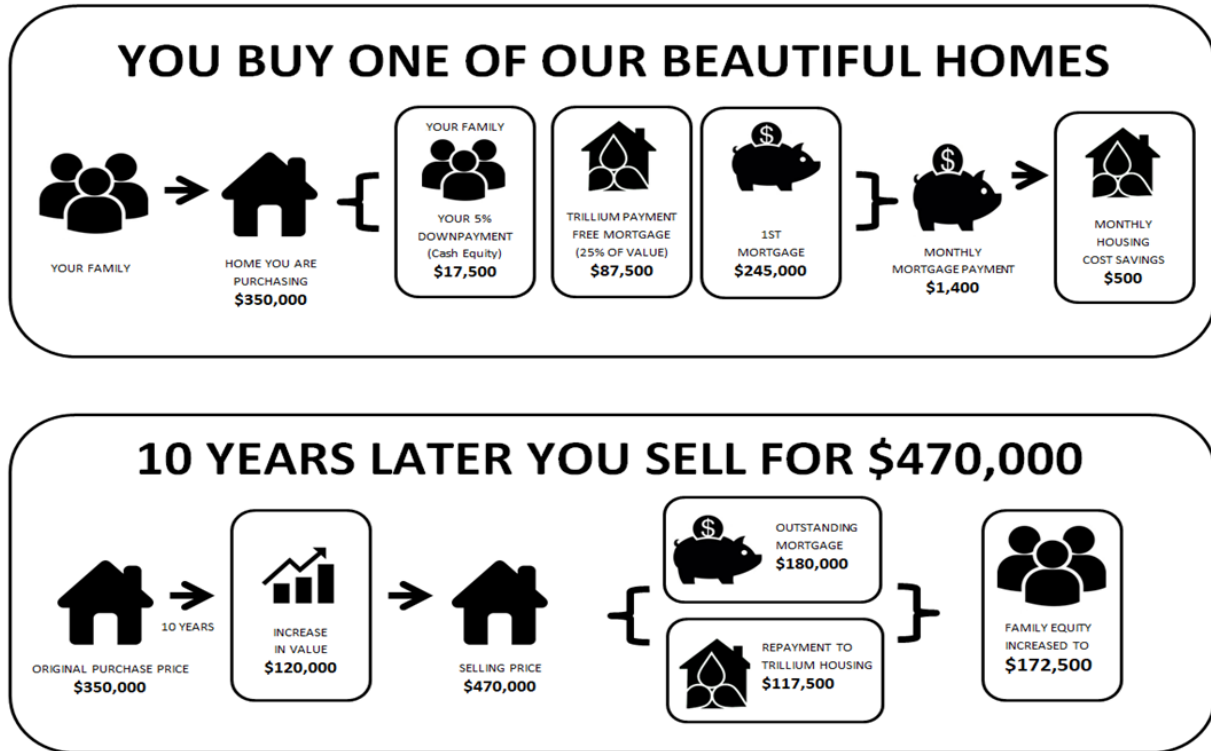
If longer term affordability is desired, a mechanism must be put in place to secure affordable ownership over a period of time (e.g., price restrictions, perpetual affordable ownership where the municipality or non-profit rebuys the home and resells it at an affordable price, etc.). Most affordable ownership groups in Ontario pursue one-time affordability because they require repayment of the initial second mortgage plus their share of the appreciated value to deploy that capital in their next project – creating a revolving fund (**Figure 10**).

As identified in Section 2 of this report, recent legislative changes brought forward through Bill 23 will now exempt non-profit developers from development charges, community benefit charges, and parkland fees, which includes affordable ownership groups like Habitat for Humanity, Options for Homes, and Trillium Housing. The same incentives will also be available for any developer who will deliver housing below the cost of the Province's new affordable ownership housing definition for a period of at least 25-years.

Notwithstanding the above, municipalities have found success in supporting non-profit affordable ownership groups, either through the granting of public land or modest subsidy. Municipalities have also found success in supporting partnerships between for-profit

organizations and affordable ownership groups through the development process, often using tools such as Section 37 to foster these outcomes.

**Figure 10: Example of Trillium Housing Affordable Ownership Program**



Finally, while some municipalities have explored the use of downpayment assistance programs to help first-time and other moderate-income buyers enter the housing market, it is important to understand that these programs increase demand but not supply. This occurs because the purchasing power of these households increases without any corresponding increase to supply, rather these households compete with others for the same limited supply of housing on the market. As home prices increase, the level of downpayment assistance also increases, making these programs expensive to administer without resulting in the creation of new housing.

### 3.5 Affordable Rental Housing Incentive Program Case Studies / Best Practices

We have assessed 10 incentive programs across Ontario, including two at the Regional level (Peel and Durham), to identify best practices and other key features of successful incentive programs that can inform the development of Niagara Region's New Housing

Incentive Program. Detailed information on each are available in the **Appendix** of this report, with key topics/findings summarized to follow.

### **3.5.1 Incentive Mechanism**

Both a CIP and MCFB are used to implement these programs. Both Regional programs in Peel and Durham use a MCFB, as well as the City of Toronto's successful program.

### **3.5.2 Geographic Extent**

Almost all the incentive programs evaluated apply to the entire municipality. This is a key best practice, as affordable housing is a broad need and should therefore apply to a broad area. Implementing arbitrary geographic restrictions can result in a project that would otherwise be supported, not being eligible for incentives because they are outside of the incentive area. We understand that Niagara Region has experienced this issue with the SNIP TIG and Smart Growth RDC programs.

Some programs apply to the entire municipality but have 'scored' criteria that allow the municipality to prioritize how funding is allocated to the applications received. Some scored criteria are related to location, such as points being awarded if a project is located in a strategic growth area, near services and retail, near transit, etc.

### **3.5.3 Incentive Offered**

The incentive offered varies significantly across all programs. The following provides a summary of the different approaches these programs have taken:

- The most recent programs (e.g., Richmond Hill and Mississauga – both created in Q4 2024) have been funded through the Housing Accelerator Fund ('HAF').
  - **Richmond Hill** offers \$150,000 per unit for housing rented below 125% of the CMHC Average Market Rent ('AMR'). A TIEG is also offered for 10-years for units rented between 100% and 125% of AMR, and 25-years for units rented below 100% AMR. The TIEG does not decrease each year, rather it covers the entire increase in property tax for the term of the agreement.
  - **Mississauga** offers a grant covering development charges, community benefit charges, parkland fees, building permit fees, and a capital grant up to \$60,000 per unit for units rented between 100% and 125% AMR. The capital grant is increased to a maximum of \$130,000 per unit for units rented below 100% AMR.

- Both programs will approve projects on a first-come first-served basis until the budget is expired (\$13M for Richmond Hill, \$44M for Mississauga).
- Hamilton, Welland, and Peterborough have similar programs in that they offer a set package of incentives in exchange for market and affordable rental housing. Incentives include:
  - **Peterborough:** 10 – 20-year TIG, grant to offset development charges and planning fees for housing rented at 100% AMR for 20-years.
  - **Hamilton:** \$50k grant for eligible rental units, an additional \$25k grant for affordable rental (100% AMR for 15 years).
  - **Welland:** 10-year TIG, \$7,500 grant offsetting planning studies, \$20k - \$35k grant, grant covering planning application and building permit fees for homes rented at 50% - 80% AMR for at least 10-years.
  - All programs will approve projects on a first-come first-served basis subject to budget availability and requiring council approval.
- **Peel and Durham Region's** take a different approach from many typical incentive programs in that they set broad eligibility criteria and offer a pool of capital funding through a competitive RFP process on an annual basis.
  - Peel offers between \$10M and \$13M through a three-month application window each year, with eligibility criteria restricted to projects being rental tenure, affordable rents set to 135% AMR, a minimum of 5 units, and a minimum of 50% and 35% two and three-bedroom units, respectively. The program is therefore seeking moderately affordable rental housing, can be provided by either for-profit or non-profit groups, and can include mixed-income buildings (funding is only provided for the affordable units).
  - Peel then asks that applicants apply and justify the level of incentive they require through the submission of proformas and other financial information. Peel also establishes evaluation criteria as illustrated in **Figure 11** and awards funding each year to the most competitive project that best aligns with the Region's goals and objectives, which favours depth and length of affordability, the amount of subsidy requested, and other factors.

- While Peel's program is targeting 135% AMR, the MCFB defines affordable housing as 170% AMR, which is essentially market housing. This provides flexibility to incentivize market rental in the future through this program, if desired.
- Durham's program functions similarly but is targeting a lower depth of affordability at 100% AMR.
- This structure provides more flexibility to applicants and allows groups to request the funding they require. In the other programs identified above, a fixed package of incentive is offered with no flexibility to offer more or less depending on the characteristics of the project. If the incentive package is insufficient, groups do not apply. Peel and Durham's structure also allows the program to evolve with shifting market conditions such as rapidly rising construction costs and interest rates as it allows groups the opportunity to request more funding if supported by their proforma analysis. However, this structure also requires that the Region have staff knowledgeable in proforma analysis as well as the need to negotiate with developers.
- **The City of Toronto's** Open Door Incentive program existed between 2016 and 2024 and was a hybrid structure where a package of incentives was offered in addition to capital funding allocated on a competitive basis. Incentives included relief from planning application and building permit fees, development charges, property taxes (fully exempt for the length of affordability), and parkland fees. An additional capital funding of \$10M was available that groups competed over like the Peel and Durham programs. Affordability was defined at 100% AMR for at least 25-years.
- Toronto's Open Door program was replaced in 2024 by the Rental Housing Supply program, which is funded with the City's HAF. There are four separate streams within this incentive program:
  - **Stream 1 - Capital Funding Stream:** Capital funding of up to \$260,000 per Affordable Rental Home, which will be allocated on a competitive basis and subject to justification through a proforma analysis. Open to non-profits and for-profit developers, affordability is 80% - 100% AMR for at least 40-years. Funding is only provided for the affordable units in a project.



Figure 11: Peel Region Incentive Program Evaluation Criteria

Evaluation category	Evaluation criteria	Score
<b>a) Planning approvals</b> Note: Points in this category do not stack - points are awarded based on most recent status/ planning approval received.	Pre application consultation meeting held	0
	Official Plan/zoning submitted (complete application)	4
	Official Plan/zoning approved/in effect	8
	Site Plan submitted (complete application)	12
	Site Plan approved	16
	Full building permit issued	20
	<b>Max score</b>	<b>20</b>
<b>b) Average depth of affordability for Affordable Units (units receiving Incentives)</b> Note: Points in this category do not stack - points are awarded based on specific MMR of Affordable Units.	135% of MMR by local municipality	0
	125–134% of MMR by local municipality	2
	115–124% of MMR by local municipality	4
	105–114% of MMR by local municipality	6
	95–104% of MMR by local municipality	8
	Below 95% of MMR by local municipality	10
	<b>Max score</b>	<b>10</b>
<b>c) Location criteria</b> Note: One point is awarded per amenity type - e.g. if there are two grocery stores within 800m, one point is awarded. Euclidian buffer will be used to determine proximity. For planned amenities see section 5.11 for required documentation.	Existing or planned Regional or local municipal strategic growth area	1
	Within 800m of existing or planned frequent bus (15 minute or better service during rush hour) or higher order transit	1
	Within 800m of an existing or planned year-round fresh food market	1
	Within 800m of an existing or planned park	1
	Within 800m of an existing or planned school	1
	Within 800m of an existing or planned health centre	1
	Within 800m of an existing or planned recreation centre/library	1
	Within 800m of an existing or planned early years or child care centre	1
	<b>Max score</b>	<b>8</b>
<b>d) Length of time that Affordable Units will be maintained as affordable</b> Note: Points in this category do not stack - points are awarded based on specific duration of affordability.	25 years	0
	26–30 years	2
	31–40 years	4
	41+ years	6
	<b>Max score</b>	<b>6</b>
<b>e) Accessible units</b>	Baseline building code requirements (Ontario Building Code)	0
	10%+ of the Affordable Units are barrier-free in accordance with CSA B651: Accessible design for the built environment (above Ontario Building Code requirements)	3
	<b>Max score</b>	<b>3</b>
Evaluation category	Evaluation criteria	Score
<b>f) Energy &amp; environmental performance</b>	Building energy performance (energy efficiency) meets the Ontario Building Code requirements	0
	Building energy performance (energy efficiency) exceeds the Ontario Building Code requirements by 15% or greater	3
	<b>Max score</b>	<b>3</b>
<b>g) Applicant qualifications and project readiness</b>	The following will be considered: • Organization qualifications and experience • Project details and state of readiness	
	<b>Max score</b>	<b>20</b>
<b>h) Financial proposal</b>	The following will be considered: • Justification of incentive amount • Net present value of rent difference (between market and affordable rents) and incentive requested • Project Information Spreadsheet • Financial plan	
	<b>Max score</b>	<b>30</b>
	<b>Total score</b>	<b>100</b>



- **Stream 2 - Purpose-Built Rental Housing Incentives Stream:** Indefinite deferral of municipal development charges (for market and affordable units), 15% reduction in property tax through the new Multi-Residential Property Tax Class (for market and affordable homes). For Affordable Rental (matching Stream 1 requirement of 80% - 100% AMR) exemption of development charges, Community Benefit Charges, Parkland Dedication fees (cash in-lieu), Planning Application Fees, Building Permit Fees, and Residential Property Taxes (for the term of affordability). At least 30% of the building must be affordable.
- **Stream 3 – Affordable Rental and Rent-Controlled Housing Stream:** Exemption of development charges, Community Benefit Charges, Parkland Dedication fees (cash in-lieu), Planning Application Fees, Building Permit Fees, and Residential Property Taxes (for the term of affordability). Open to non-profits and for-profit developers, affordability is 150% AMR for at least 40-years. At least 20% of the building must be affordable.
- **Stream 4 - Community Housing Pre-Development Fund:** Eligible projects will be provided funding for eligible pre-development due diligence work up to a maximum of \$50,000 per affordable unit. Only available to non-profits seeking 80% AMR for 99-years.
- All of the Streams will include a limited intake window, with funding provided on a competitive basis to the best projects. Like Open Door, streams 2 and 3 provide a set package of incentives, with stream 1 offering capital funding on a competitive basis that can be customized to the specific project to a maximum of \$260,000 per unit. The budget for this program is significant given the HAF, at over \$470M to be spent by Q1 2027.

### **3.5.4 Depth and Length of Affordability and Other Eligibility Criteria**

As identified above, the programs evaluated all target a variety of different outcomes.

- Affordability requirements range from market rental, rent-controlled market rental, moderately affordable rental (e.g., 125% - 135% AMR), and deeper affordability at 100% AMR and below.
- Affordability lengths also vary between 10 and 99 years, with most targeting between 20 and 40 years.

- Some programs have base eligibility criteria, but seek deeper and longer affordability through competitive process and scoring criteria that favours specific outcomes.
- Programs also include a wide-range of other criteria including suite mix and unit sizes, sustainable design, locational criteria, and others.
- Ultimately, a municipality may include any eligibility or scored criteria that is desired, however the incentive offered must be sufficient to overcome the requirement or the program will not be successful. Some programs, like Peel and Durham, have few eligibility criteria but more significant evaluation criteria to ensure the program receives enough applications, with these additional criteria (e.g., **Figure 11**) being considered through the competitive ranking of applications.

### 3.5.5 *Budget*

As identified above, incentivizing affordable housing is expensive. Mississauga and Toronto each received substantial HAF packages that have allowed them to fund these programs (~\$40M and \$470M, respectively).

Other programs such as Peel and Durham have annual budgets of ~\$13M each year, and generally secure around 100 new affordable rental units each year with this budget, which is also similar to the Richmond Hill program. This funding equates to around \$130,000 per affordable rental unit, with most approved projects also securing low-cost financing through CMHC, largely through the ACLP described earlier in this report.

Notwithstanding the above, it is important to note that many of the above programs also include other sources of funding, with total budgets as high as \$250,000 per unit to secure viable housing outcomes.

The other programs do not have the same defined budgets, with approval of applications subject to budget availability and council approval.

### 3.5.6 *Approval Authority*

Of the programs evaluated, there are a wide range of approval authorities for applications, which are generally summarized below:

- For simpler programs, some incentive applications can be approved directly by staff, which can include planning staff or senior staff such as the director of a department or the CAO.

- Other programs require staff to make a recommendation to Council who ultimately is the approval authority.
- Some programs, such as Toronto's IMIT Incentive Program, allow staff to be the approval authority for incentive amounts below a certain threshold (e.g., \$10M), with Council approval required for any incentive issued above this threshold.

Depending on program design, the review and approval of incentives are conducted by a single staff person or a committee of individuals comprised of various departments (e.g., planning, economic development, finance, legal).

### **3.5.7 Agreement Structure**

All incentive programs result in a Contribution Agreement that establishes the terms and conditions of the incentives offered, the requirements of the developer, and penalties should the developer not adhere to the terms of the agreement. Most Contribution Agreements require that the developer repay the incentive if they break the terms, such as not maintaining the affordable housing for the agreed upon period of time.

The Agreement also gets registered against the title of the land, meaning the agreement remains even if the building is sold by the original developer in the future.

### **3.5.8 Regional and Local Municipal Coordination**

Within Niagara region, there is a strong degree of coordination between the Region and local municipalities with respect to incentives and participation in local/Regional incentive programs. This level of coordination is rarer in other communities across Ontario, where generally local and regional municipalities are not stacking funding or other incentives in a coordinated way. In many instances, there are competing incentive programs in place at the local and regional levels.

The above is largely due to political, municipal finance, and other related issues rather than being an established best practice. To the contrary, creating a single coordinated incentive program across an entire region that stacks local and regional funding into a single program is highly beneficial for a variety of factors (e.g., single easy to understand process, coordinated program rather than multiple unique programs, no need for developers to apply to multiple different programs, etc.).

### 3.6 Affordable Ownership Housing Incentive Program Case Studies / Best Practices

There are few formal incentive programs seeking to incentivize affordable ownership housing. While incentives are now available as-of-right for groups advancing ownership housing below the affordable purchase price thresholds and where affordability is secured for 25-years, municipalities have also found success with supporting non-profit ownership groups in other ways outside of a formal incentive program (e.g., establishing partnerships through the development application process, donating land, etc.).

Notwithstanding the above, the below are examples of formal incentive programs that target affordable ownership:

- **The City of Toronto** recently implemented the Home Ownership Assistance Program (HOAP) that provides non-profit and private sector development partners relief from Development Charges, Cash-in-Lieu of Parkland Dedication, Community Benefits Charges, Planning and Building Permit Fees, as well as loan funding and land contributions, where available.
  - The program supports projects targeting incomes up to the 8<sup>th</sup> income decile, with both on-going and one-time affordability models permitted. This therefore applies less onerous eligibility criteria than the new Bill 23/134 incentives.
  - The City has a budget to support up to 400 new units annually, with funding allocated on a first-come first-served basis.
- **The City of Brampton** has also just implemented a new Affordable Housing CIP that is supportive of both affordable rental and ownership housing meeting the Provincial definition, including the 25-year time horizon. A capital grant of up to \$340,000 per unit is available, with the ultimate grant amount being determined based on the application of scoring and other criteria. The program was just recently approved and the established criteria are not yet available.

### 3.7 Market Rate Housing Incentives

There are many incentive programs across Ontario that incentivize market housing and intensification. These programs are generally either attempting to revitalize an important or disadvantaged area (e.g., downtown) or overcome market/financial feasibility challenges, the latter largely being in smaller markets where high-density condominium

or rental housing face market and feasibility challenges. A table summarizing some of these programs is available in the **Appendix** of this report.

While more common in the past, as real estate markets improved over the past decade, many municipalities determined that incentive was no longer necessary to incentivize market development, such as was the case with Hamilton and Kitchener-Waterloo, among others. Over this period, many of these incentive programs have been eliminated or replaced with incentives targeting affordable or rental housing.

However, development feasibility has experienced extraordinary challenges since the onset of the COVID-19 pandemic. As discussed further in the next section of this report, elevated interest rates, rapidly rising construction costs, inflation, economic uncertainty, and other factors are all having significant impacts on development feasibility. The result of this context is that housing construction has decreased substantially over the past few years as developers struggle to advance new housing. This has been the case in Niagara region, with the most affected areas being high-value markets such as Vancouver and the Greater Toronto Area.

Many municipalities are taking action to increase housing supply in response to these challenges, with many using HAF capital to adjust zoning, reduce red tape, improve approval timelines, and expand supply. While many communities are also advancing affordable housing incentive programs, some are also implementing incentives for market housing in an effort to boost housing supply:

- **The City of Vaughan** drastically reduced their development charge rates for residential development by approximately 90% for all housing types and forms. Development charge deferrals are also being implemented through the new DC background study.
- **The City of Burlington** reduced development charges by approximately 15% for all housing types and forms.
- **The City of Mississauga** has implemented the most complete package of incentives designed to spur new development:
  - Temporarily lower municipal residential development charges by 50% for all residential construction prior to November 13, 2026.
  - Temporarily defer the payment of development charges until first occupancy resulting in saving on financing costs.

- Temporarily eliminating development charges on 3-bedroom purpose built rental residential apartment projects.
- Implement the new multi-residential property tax class with the full eligible discount of 35% for purpose-built rental housing.
- Formal request for the Region of Peel to match the incentives provided by the City.
- **York Region** is also considering a more significant package of incentives. In April 2025, staff brought a series of recommendations for Council consideration:
  - Approved April 2025: Implementation of interest free development charge deferrals for residential development. For low-rise development, interest free deferral until building permit issuance. For high-rise buildings, interest free deferral for 24-months, with interest then applying until the earlier of four years or registration of condominium.
  - To be considered June 2025: Exempt development charges for all purpose-built rental housing that is maintained for 40 years and rented below 175% AMR.
  - To be considered June 2025: A first-time home buyer rebate of development charges, subject to receipt of new funding from other levels of government.
  - To be considered June 2025: Exploration of financing and funding tools to fund the above incentives. Exploration of changes to development charge calculation methodology to reduce DC burden and acceleration of fees over time.
  - York Region is also considering the implementation of a formal incentive program targeted for affordable rental housing.
- Many other municipalities are considering similar actions aimed to increase and broaden housing supply.

## 4.0 Housing Market Assessment

The following section provides an assessment of Niagara region's housing market. It will provide critical background data and analysis that will support the identification of housing needs in the community as well as the future Housing Incentive Program.

### 4.1 Current Macro Economic Context

Current economic conditions across Southern Ontario and the country pose difficulties for the financing, construction, and completion of new housing stock. High construction and labour costs, elevated and fluctuating interest rates, sudden changes in immigration policy that target reduced growth, and the current tariff conflict between Canada and the United States all create an environment of higher costs and uncertainty for developers and builders. At the same time, elevated interest rates, high home prices, and general inflation have reduced demand for housing at current pricing levels.

With construction material and labour costs, major factors influencing their rapid increase include continued supply chain disruptions resulting from the COVID-19 pandemic and regional military conflicts (e.g., Russia-Ukraine war, Red Sea attacks), skilled labour shortages for workers in key trades, and strong construction activity in 2022 and 2023. Between 2020 to 2023, the Building Construction Price Index (BCPI) for Ontario (data for Niagara region is unavailable) has risen by 76%, or an average of 19% annually (**Figure 12**). This is significantly higher than the Consumer Price Index (CPI) across the province over the same period (15%, or just under 4% annually). While BCPI growth has moderated to 3% year-over-year in 2024, it remains significantly higher than pre-pandemic levels.

In addition to construction costs, interest rates have fluctuated significantly since 2020, creating unstable conditions for financing costs and predictability. In 2020, the Bank of Canada dropped the overnight rate to a record low of 0.25% (**Figure 13**), which was done to encourage spending and stimulate the economy. These low interest rates resulted in accelerated housing demand, which was also fueled by record immigration rates and an overall undersupply of housing, which cumulatively resulted in rapidly rising home prices across most markets in Ontario. Between 2020 and 2022, the average home price in Niagara region jumped from roughly \$475,000 to \$850,000, representing a nearly 80% increase over a short period (**Figure 14**).



To address rapid home price increases and overall inflation in the market, the Bank began raising the overnight rate, which hit a peak of 5% in 2023, which was the most rapid increase in interest rates ever experienced in Canada (**Figure 13**). This increased the cost of borrowing for builders, developers, and home purchasers – having an immediate cooling effect on the market. As a result, housing development and sales began to slow, and home values also began to decrease with average values decreasing from the peak of over \$850,000 in 2022 to around \$700,000 in 2025 (**Figure 14**). Notwithstanding this drop in home prices, values have stayed elevated from pre-pandemic levels, with the average home costing \$700,000, or more than \$200,000 above what it costed just over five years ago.

It is also important to understand that despite the decline in home prices over the past two years, these remain significantly above their pre-pandemic levels. Moreover, the overnight rate (2.75%) continues to be higher than pre-pandemic highs (1.75%), increasing mortgage costs. At their most recent meeting on April 16<sup>th</sup>, the Bank of Canada elected not to further reduce rates. These continue to limit the number of households that can afford to purchase a home.

More recently, the tariff conflict between the United States and Canada has added economic uncertainty for both homebuilders and homebuyers. As of April 10<sup>th</sup>, a 25% tariff has been placed on most Canadian foods and products, including steel, aluminium, oil, gas, and automobiles, with retaliatory tariffs placed by Canada on these items. Looking forward, the following impacts can be expected:

- These tariffs will threaten the viability of related-industry operations in Canada through higher operating costs and weakened cross-border consumer demand.
- Canadian workers in affected industries will face employment precarity and will be less able to pursue homeownership. In cases where employment is lost, workers may struggle to even pay rent.
- The increased cost of imported building materials from the United States will likely push up already high construction costs, and give developers pause on the financial viability of proposed developments.
- Niagara region, located along the Canadian-USA border, is likely to be heavily impacted by these tariffs. According to Statistics Canada, 532 Niagara-based firms export \$6 billion in goods to the US, while 1,328 firms import \$1.7 billion in goods. Trade with the US supports over 30,000 jobs in the region. Manufacturing and

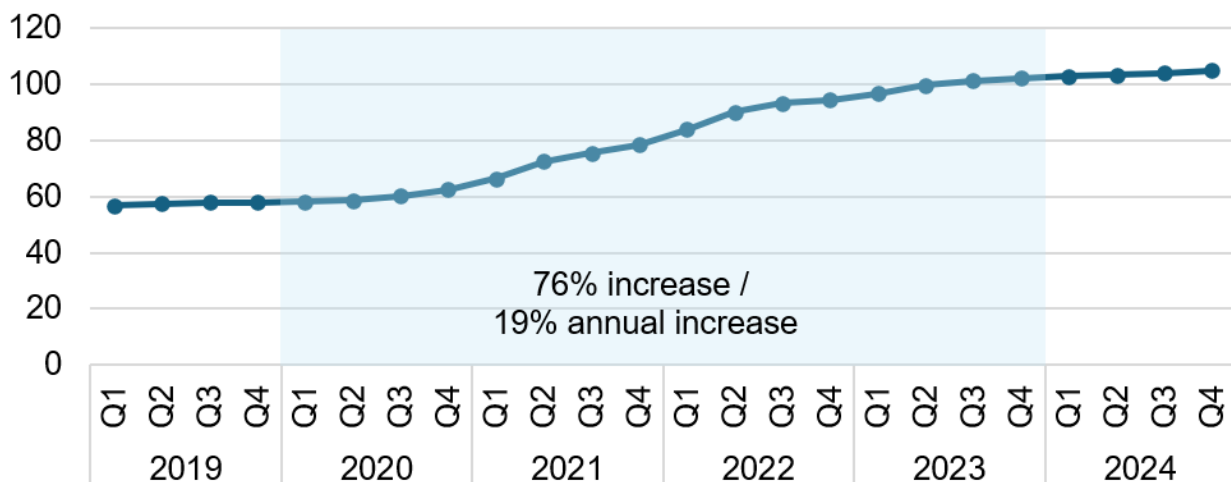


agriculture are all likely to suffer from higher operating and export costs, while tourism might be adversely impacted by a decline in border crossings tied to the negative relations between the two countries.

Overall, many recent economic trends and events have created high levels of volatility and uncertainty in the housing market, all the while shelter costs remain high and demand for housing (particularly attainable and affordable housing) remain strong. Elevated construction and interest rates are having a significant impact on the feasibility of creating new housing, which is exacerbated by declining real estate values and lower immigration targets.

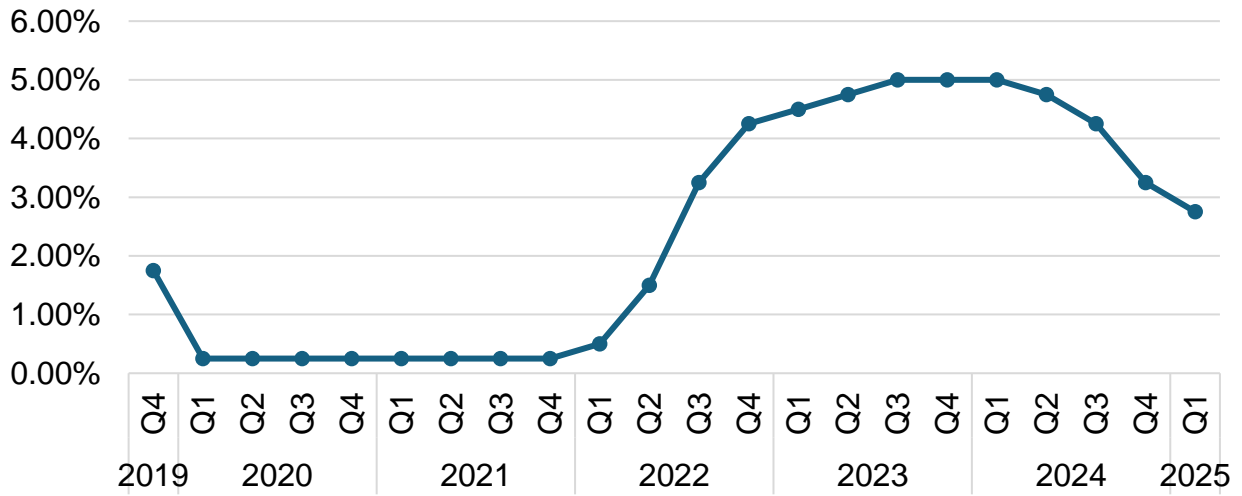
Due to these conditions, many communities in Ontario, particularly those more reliant on cross-border economy activity, are exploring strategies to mitigate for risk and prepare for future volatility. For example, Team Niagara, comprised of Niagara Economic Development, local economic development officers, and partners including the Chambers of Commerce and the Niagara Industrial Association (NIA), have been holding weekly meetings to monitor developments, support local businesses with information and resources, and advocate for protective measures. Additionally, Niagara Region, in partnership with local municipalities, launched a "Buy Local" media campaign to encourage community support for regional businesses.

**Figure 12**  
**Building Construction Price Index (Residential Buildings)**  
Ontario

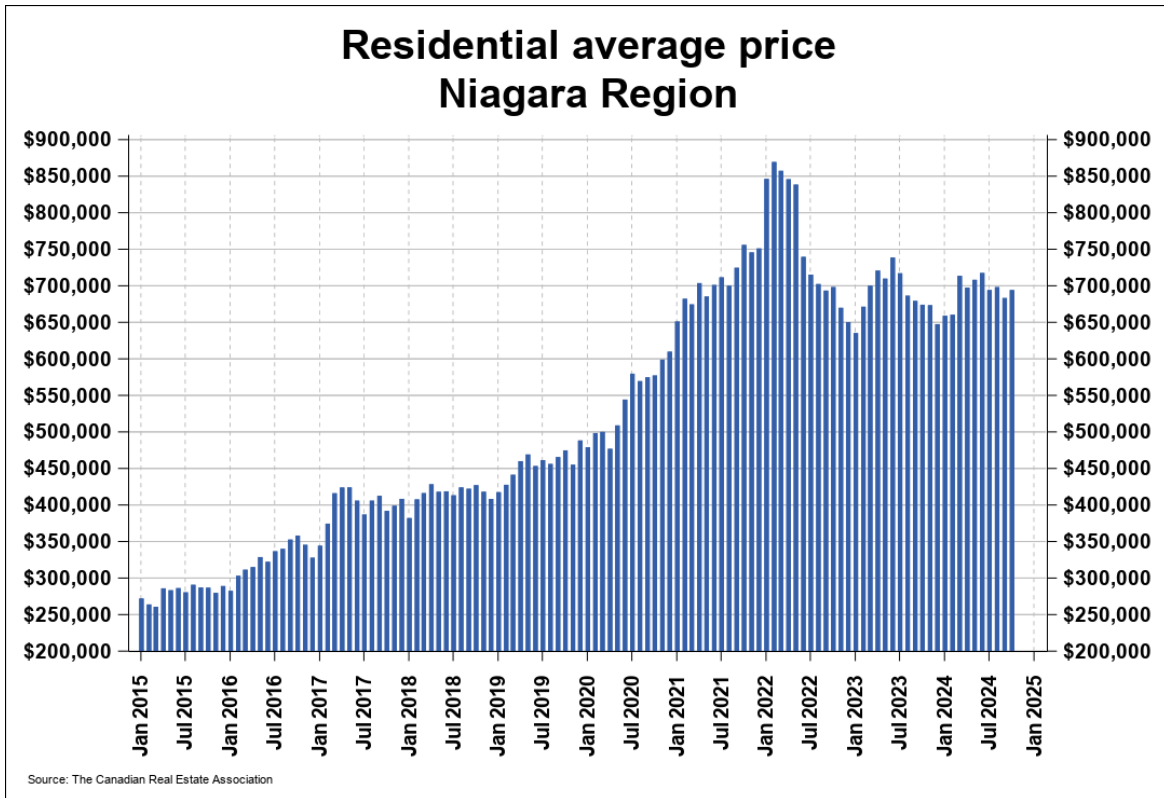


Source: Statistics Canada.

**Figure 13**  
**Bank of Canada Overnight Rates**



**Figure 14**



## 4.2 Population Growth Profiles and Trends

Niagara Region has grown modestly between 2006 and 2021, growing by 50,500 new residents representing a total growth rate of 12% over this period (or an average annual increase of 0.8%). This is slower than the province as a whole, which saw a 17% (or an average annual 1.1%) increase over this period.

However, when only looking at the last intercensal period (2016 to 2021), Niagara's growth of 6.7% outpaces the province's 5.8% (**Table 5**). This is reflective of increased immigration rates over this period, the region's relatively affordable real estate within the Golden Horseshoe and eroding affordability in other areas of Ontario, implementation of remote work policies following the pandemic, the region's strengthening employment base, and other similar considerations.

As identified in **Table 5**, most of the region's population is within St. Catharines, the region's largest population centre, containing 137,000 residents or 29% of the region's population, followed by Niagara Falls (94,000 residents or 20% of the region's population) and Welland (56,000 residents or 12% of the region's population).

The highest growth rates however are seen in areas outside these main centres:

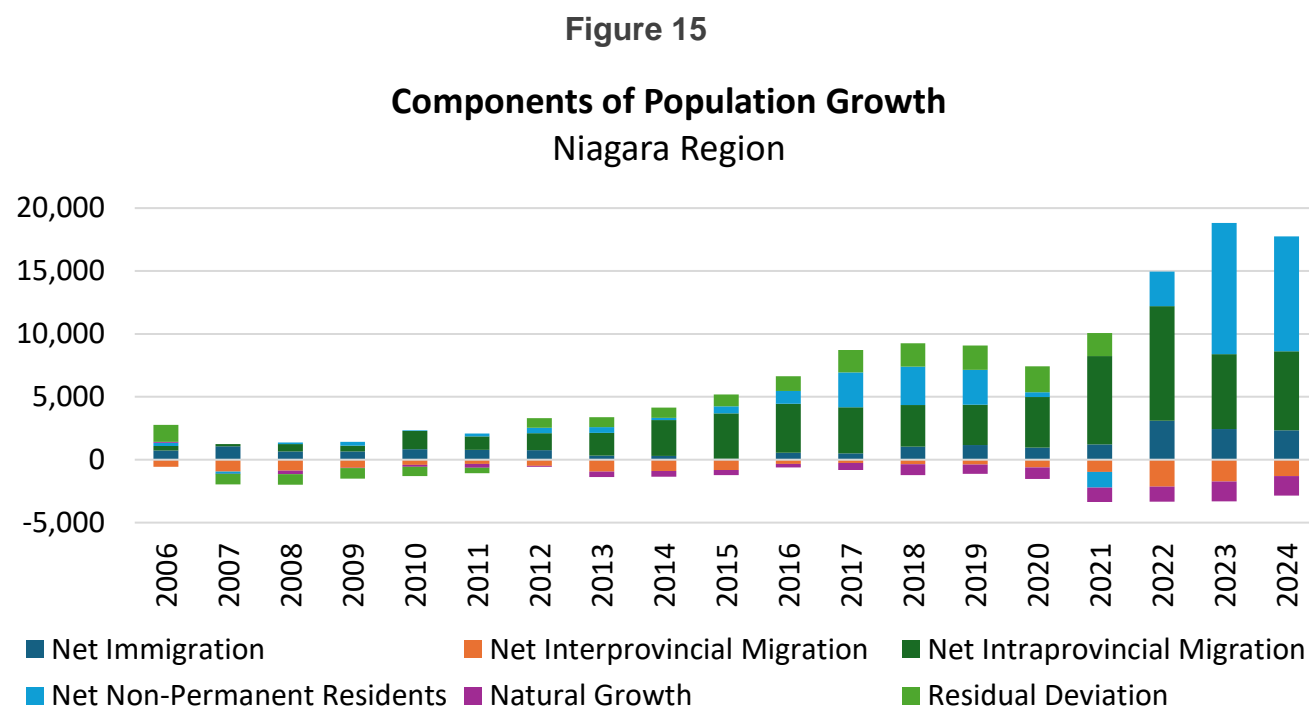
- Thorold, Port Colborne, and Niagara-on-the-Lake saw the largest growth rates between 2016 and 2021. Thorold in particular, experienced an unusually high growth rate (26.7%) for a municipality its size. This is supported by mainly low-rise developments, as discussed in **Section 4.3** to follow.
- Niagara Falls, Thorold, St. Catharines, and Welland saw the most overall growth, each seeing more than 3,000 residents added to their population during this period. Niagara Falls and Thorold saw the highest numbers, at over 6,300 and 5,000 new residents respectively.

Table 5

<b>Recent Population Growth (2016-2021)</b> Niagara Region				
<b>Municipality</b>	<b>2016</b>	<b>2021</b>	<b>Growth</b>	<b>Growth (%)</b>
Wainfleet	6,372	6,887	515	8.1%
West Lincoln	14,500	15,454	954	6.6%
Pelham	17,110	18,192	1,082	6.3%
Niagara-on-the-Lake	17,511	19,088	1,577	9.0%
Port Colborne	18,306	20,033	1,727	9.4%
Thorold	18,801	23,816	5,015	26.7%
Lincoln	23,787	25,719	1,932	8.1%
Grimsby	27,314	28,883	1,569	5.7%
Fort Erie	30,710	32,901	2,191	7.1%
Welland	52,293	55,750	3,457	6.6%
Niagara Falls	88,071	94,415	6,344	7.2%
St. Catharines	133,113	136,803	3,690	2.8%
<b>Niagara Region</b>	<b>447,888</b>	<b>477,941</b>	<b>30,053</b>	<b>6.7%</b>
<b>Ontario</b>	<b>13,448,494</b>	<b>14,223,942</b>	<b>775,448</b>	<b>5.8%</b>
<i>Source: Statistics Canada.</i>				

### 4.2.1 Characteristics of New Population Growth

A very large share of the region's growth has been achieved through increases in migration from other parts of Ontario and more recently, from abroad (**Figure 15**). Except for a brief dip in 2020 due to the pandemic, these migration streams into Niagara region<sup>7</sup> have steadily increased over time. This peaked in 2023, with over 18,800 new residents arriving in Niagara region that year.



Source: Statistics Canada.

This growth has largely been comprised of movements from other parts of the province, and has mainly consisted of young adults and families, as well as post-secondary students.

- The share of young adults (aged 25 to 44 years old) grew significantly from roughly 10% to 15% annually prior to 2019 to 30% to 35% annually between 2020 and 2024, becoming the largest age group entering the region. This increase likely stems from the adoption of work-from-home arrangements, allowing workers from certain sectors to relocate to more affordable housing options in Niagara.

<sup>7</sup> Some data included in this report is available region-wide, but some are not, and will be identified as such in each relevant figure/table.

- The share of children (aged 0 to 19), at around 20 to 25%, was the second largest. This group likely moved into the region with their families who had relocated to Niagara for employment or more affordable housing options.
- Moreover, the region continues to receive a sizeable share of intraprovincial migration from downsizers and older adult groups (aged 55 years old and older), which in recent years consisted roughly 25% to 30% of total migration. This is however, down from 40% to 45% just prior to the pandemic.
- Niagara region has many characteristics which will likely support continue movement from other parts of the province. Young families will continue to be drawn by the region's relative affordability within the Golden Horseshoe along with its access (e.g., GO rail service, Queen Elizabeth Way) to larger employment centres such as Hamilton and Toronto. Meanwhile, downsizers and retirees will remain attracted to the region's relatively warmer climate, its many agricultural and natural amenities (e.g., conservation areas, wineries), and access to urban amenities and major healthcare facilities in its larger communities.

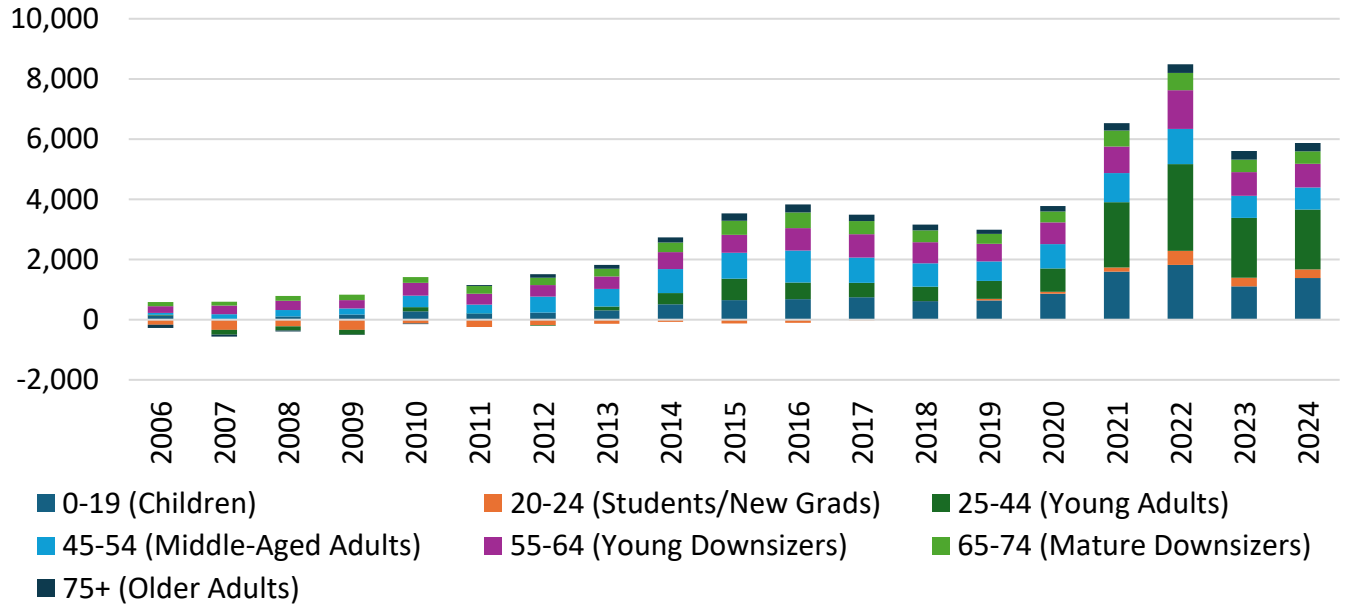
A recent surge in non-permanent residents has greatly contributed to the region's growth, with a peak of nearly 10,400 persons entering Niagara in 2022 (**Figure 17**). This follows an outflow of non-permanent residents in 2020 and 2021, likely due to tight restrictions around travel and movement during the early stages of the pandemic.

- Prior to 2022, roughly 95% of entering non-permanent residents had been aged 24 years old or below, indicating a largely international student demographic. This group consists of a significant share of all non-permanent residents, with international student enrollment growing considerably in the last few years. As an example, Niagara College's international student enrolment increased from 3,700 in 2021 to 9,100 in 2022.
- Following 2022, young adults (aged 25 to 44) began comprising a larger share of non-permanent residents, reflecting an increase in international workers coming in the region or older international students. A reversal of federal immigration policies will see a stark decline in non-permanent residents in the coming years, which will be impactful to local post-secondary institutions. Intraprovincial migration will likely continue to be a reliable source of new residents considering the region's continued relative affordability compared to other areas in the Golden Horseshoe.
- The reduced immigration targets will have some impact in reducing demand for rental housing in Niagara. Notwithstanding, rental demand in Niagara region is still quite

strong (as discussed in Section 4.5) and will likely be minimally impacted by this decline, especially if the rate of intraprovincial migration is maintained or is increased over the next few years.

Figure 16

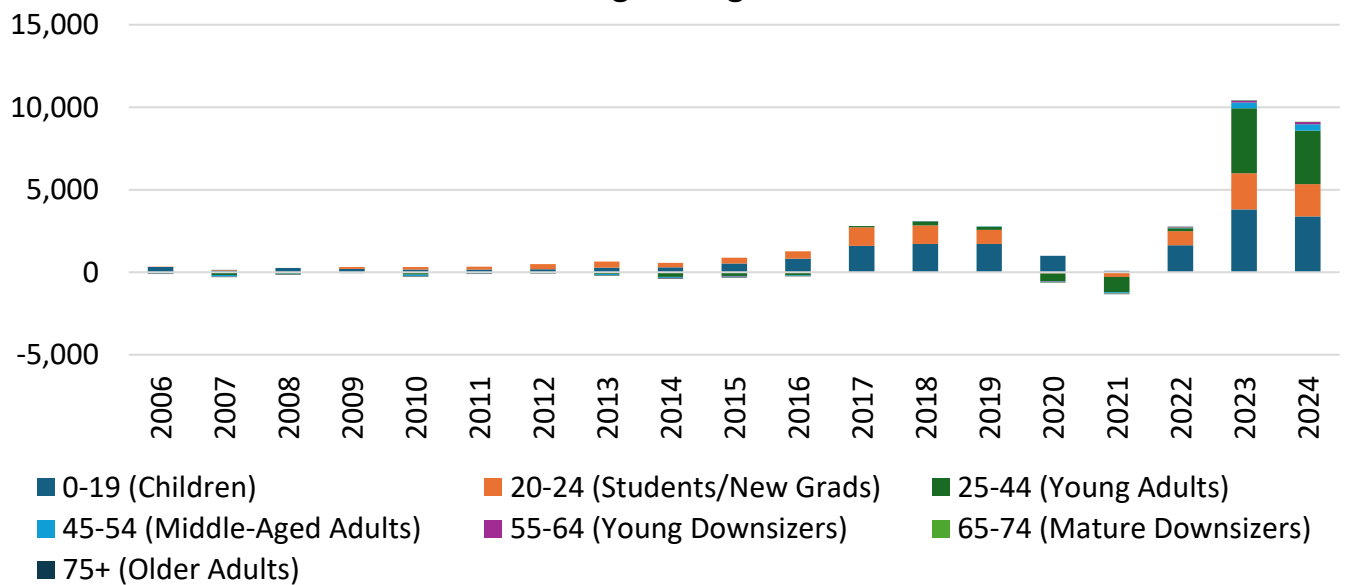
**Net Intraprovincial Migration by Age Group**  
Niagara Region



Source: Statistics Canada.

Figure 17

**Net Non-Permanent Residency by Age Group**  
Niagara Region



Source: Statistics Canada.



## 4.3 Housing Start Activity

### 4.3.1 Overall

While annual housing starts had remained relatively flat at around 1,200 to 1,300 units between 2006 and 2013, the following decade saw gradual increases, with a peak of 3,200 housing starts seen in 2022 (**Figure 19**). This coincided with the strong population growth observed between 2016 to 2021.

The last two years however saw large declines, with only 1,800 units initiating construction in 2024, and similarly low housing starts through the first two months of 2025. This slowdown is tied to challenges currently facing the development industry as highlighted in **Section 1.1**, with elevated interest rate, construction costs, the federal ban on foreign investor purchases of residential properties, immigration target caps, reduced demand and pricing levels, and other similar conditions. Moreover, the tariffs and counter-tariffs launched between Canada and the United States will contribute to higher construction costs and employment insecurity, and in turn dampen development activity in Niagara region over the short-term.

### 4.3.2 By Type

#### Single Family Homes

Single family homes (SFH), which includes detached and semi-detached homes, have, and largely continue to predominate the local housing market. SFH starts went through a period of strong growth between 2013 and 2022, punctuated only by a drop in starts in 2017 and 2018, representing the start of a slight shift towards denser housing typologies (**Figure 20**). The peak volume of SFH starts was in 2016, when nearly 1,600 homes began construction. Housing starts decline considerably in 2023 and 2024 due to the macroeconomic conditions and risks identified in Section 4.1 and are currently at pre-2013 levels.

While SFH's continue to consist the largest share of housing starts in the region, this share has declined considerably since 2006. Between 2006 and 2009, roughly 70% of starts have been for SFH, which gradually decreased, reaching an average 40% between 2021 to 2024 (**Table 6**). The following observations can be made of housing starts in the area municipalities:

- Until 2017, the greatest number of SFH starts across the region had been in Niagara Falls. A peak of over 600 homes began construction in 2016, before dropping

significantly in the following years. This decrease is to a point where it now matches the municipalities of Lincoln and Welland, at roughly 200 units a year.

- Conversely, Thorold has become the new centre for SFH construction. Thorold overtook Niagara Falls in 2018 in SFH housing starts and held a steady rate of 300 to 350 annual starts between 2019 and 2023. While this is only half of the 2016 peak in Niagara Falls, it is important to note that Thorold has a population nearly four times smaller than Niagara Falls.
- Areas with smaller, but still considerable SFH start activity include Lincoln and Welland. Between 2019 and 2022, these municipalities achieved roughly 200 starts annually. Wainfleet is the only area municipality wherein all housing starts have consistently been single-family homes.
- As identified in **Table 6**, SFHs as a share of total starts have declined the most in larger area municipalities, such as in Niagara Falls, where the share of SFH starts have declined from an annual average of 73% (2006 to 2009) to 29% (2021 to 2024). Substantial declines have also been seen in other larger communities, such as St. Catharines (-35%) and Welland (-24%), while most smaller communities saw more modest declines.

## Row Homes

The volume of row home starts had been relatively modest in Niagara region, not surpassing 400 units a year until 2013 (**Figure 21**). Since then, this has increased significantly, reaching a peak of roughly 1,200 units in 2019.

Starts have been on a downtrend since 2022, due to the macroeconomic conditions and risks identified in **Section 4.1** and stood at just over 600 units as of 2024. Unlike single-family homes, the construction of row homes remains above pre-2013 levels. Moreover, the share of row homes in the region's housing starts has increased from 20% in 2006 to 32% between 2021 to 2024 (**Table 7**). As affordability is strained for SFH, markets naturally begin to deliver more row homes, and eventually more apartments. Policy direction (such as towards greater intensification within built-up areas) and constraints (such as existing urban boundaries and protected Greenbelt lands) also influence development of higher-density typologies within Niagara.

The following observations can be made in the area municipalities:

- Thorold and Niagara Falls have seen the most consistent and substantial number of starts in the latter half of the observed period, both peaking in 2022 at 370 starts in each municipality.
- Grimsby was also seeing a strong number of row homes, seeing between 100 to 200 starts annually prior the pandemic. Of note, Lincoln saw nearly 400 row homes starts in 2019.
- The largest increases in row homes as a share of total starts have been in Niagara Falls (+42%) and Thorold (+35%). Some communities saw a decrease in the share of row housing starts however, such as Grimsby and St. Catharines, and this is explained by the shift towards the creation of apartment housing.

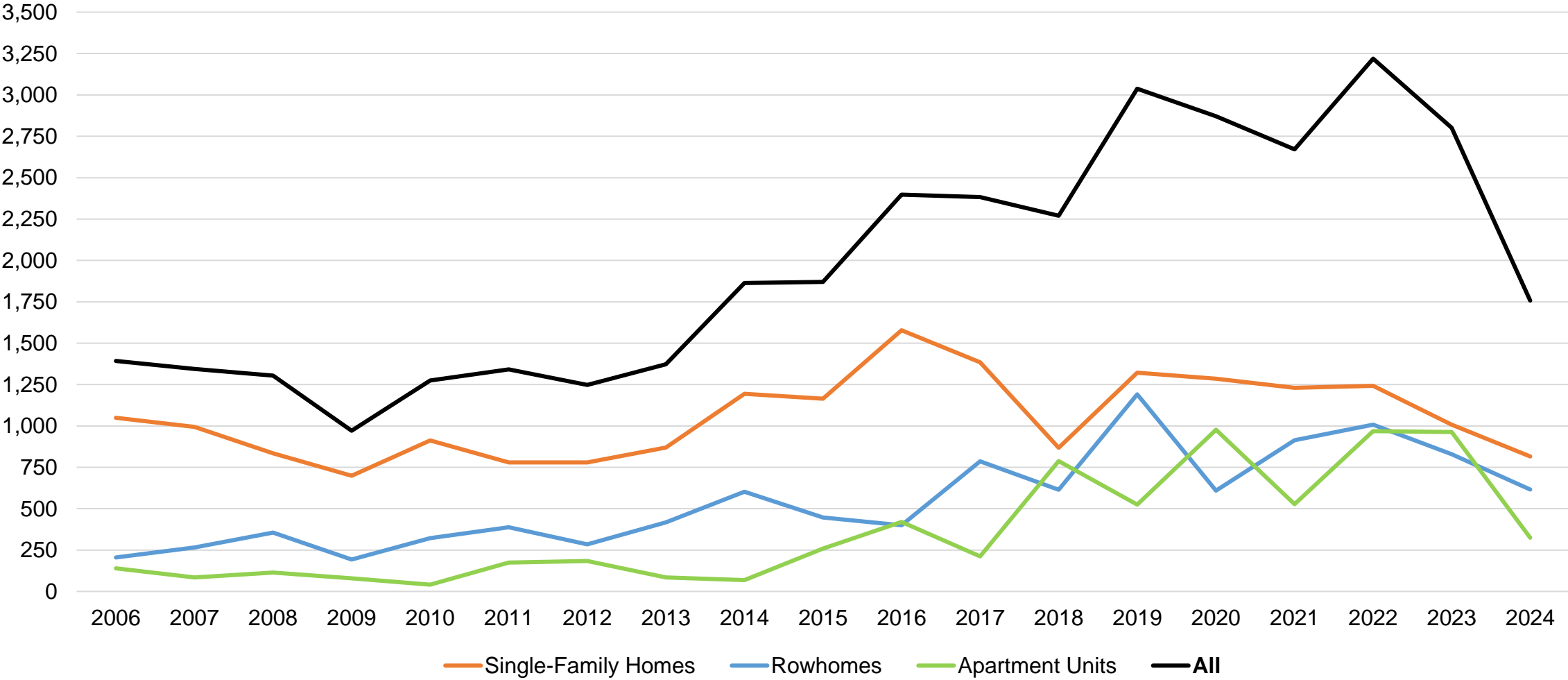
## Apartments

Apartment unit construction had been very limited up until 2015, averaging fewer than 100 starts a year (**Figure 22**). Since 2015, this has quickly increased, reaching a peak of almost 1,000 units in 2020, 2022, and 2023.

Like both SFH and row home typologies, the recent economic conditions have negatively impacted apartment unit starts, resulting in only 325 starts in 2024. The overall share of apartment unit starts in the region has increased over time, from 8% in 2006 - 2009 to 27% in 2021 - 2024 (**Table 8**), although this is concentrated in larger municipalities, such as Welland, St. Catharines, and Niagara Falls. The following observations can be made in the area municipalities:

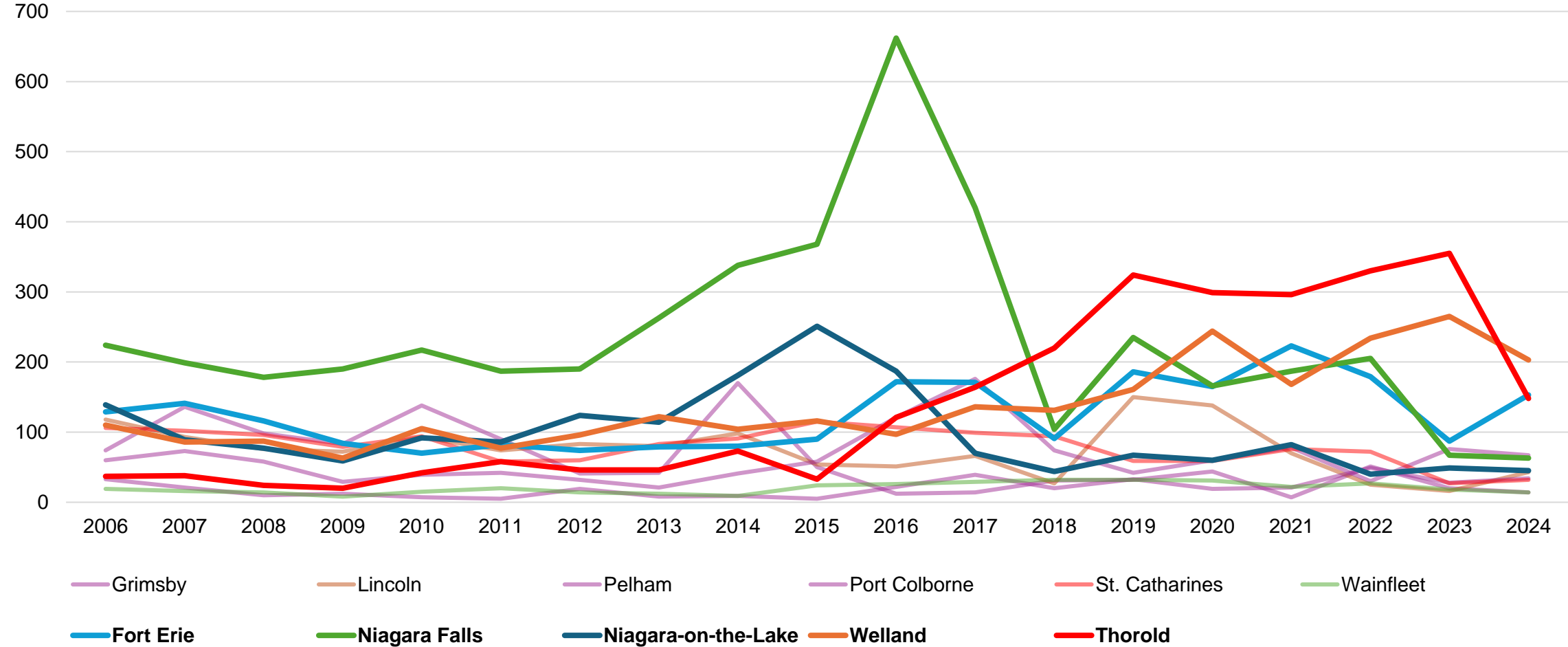
- The highest number of starts have occurred in St. Catharines, averaging an annual 260 units between 2021 and 2024. St. Catharines has also seen the most consistency in apartment unit construction, with at least 100 units being initiated annually since 2018. This is unlike other area municipalities where apartment building construction occurs once every few years or every other year.
- Grimsby and Niagara Falls had also seen years with substantial levels of apartment construction prior to the pandemic, each achieving a peak 350 units started in 2020. These markets however have since fallen off.
- Conversely, Welland has seen apartment construction growth starting in 2020, but this has dropped rapidly in 2024 following poor macroeconomic conditions, as elsewhere.
- The largest increases in apartment units as a share of total starts have been in St. Catharines (+64%), Lincoln (+60%), and Grimsby (+40%).

Figure 18  
Housing Starts by Type  
St. Catharines-Niagara CMA\* & Area Municipalities



Source: CMHC Housing Portal. \*Grimsby is included in the CMA-level data. Data for West Lincoln is unavailable.

**Figure 19**  
**Single-Family Home Unit Starts**  
St. Catharines-Niagara CMA\* & Area Municipalities



Source: CMHC Housing Portal. \*Grimsby is included in the CMA-level data. Data for West Lincoln is unavailable.

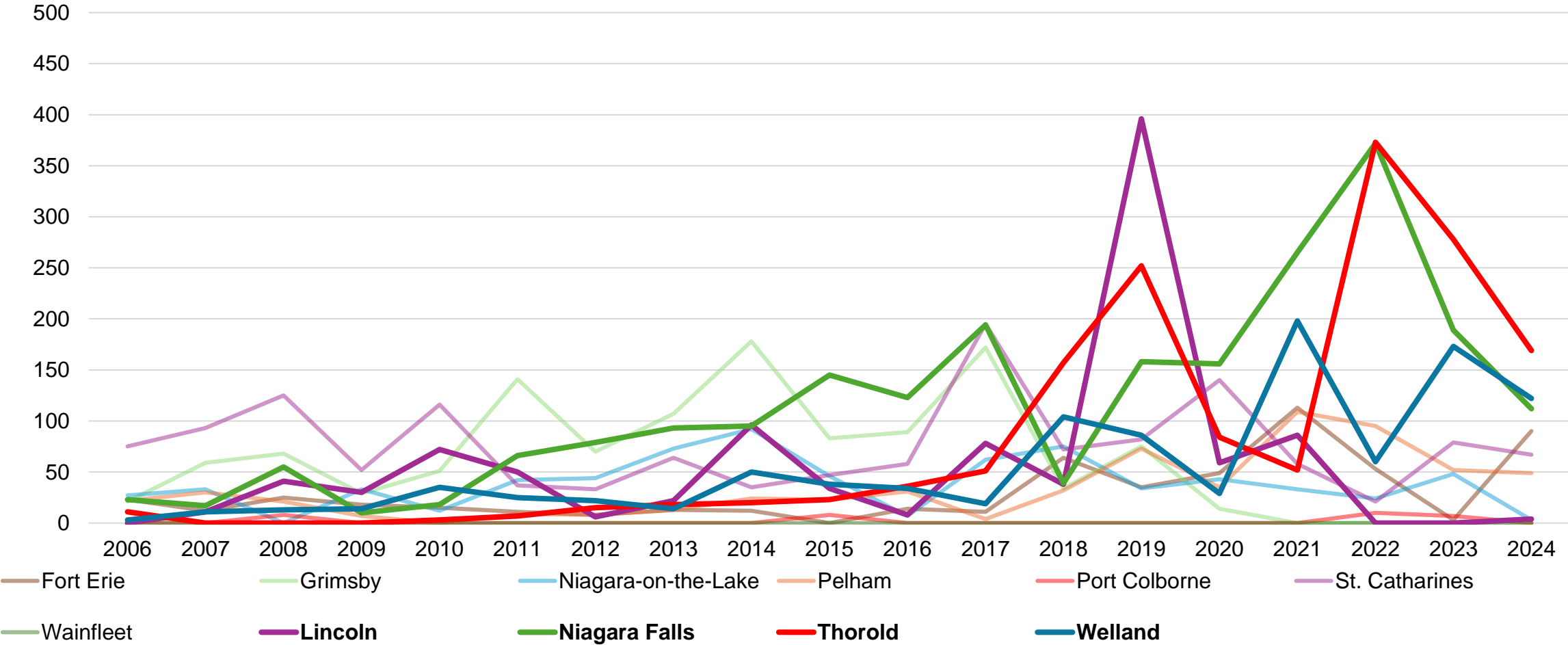
Table 6

% of Starts as Single-Family Homes by Period, 2006 to 2024 St. Catharines-Niagara CMA* & Area Municipalities												
Period	Wainfleet	Pelham	Niagara-on-the-Lake	Port Colborne	Thorold	Lincoln	Grimsby	Fort Erie	Welland	Niagara Falls	St. Catharines	St. Catharines-Niagara CMA (Except West Lincoln)
2006-2010	100%	76%	81%	79%	88%	75%	70%	85%	67%	76%	46%	71%
2011-2015	100%	71%	66%	85%	66%	65%	39%	90%	67%	72%	38%	62%
2016-2020	100%	68%	64%	77%	64%	43%	8%	82%	66%	55%	24%	50%
2021-2024	100%	40%	62%	67%	55%	25%	59%	66%	41%	29%	14%	41%
% Change Over Period	0%	-37%	-19%	-12%	-33%	-50%	-10%	-19%	-26%	-47%	-32%	-30%
Source: CMHC Housing Portal. *Grimsby has been included in the CMA-level data. Data for West Lincoln is unavailable.												

Figure 20

**Row Home Unit Starts**

St. Catharines-Niagara CMA\* & Area Municipalities



Source: CMHC Housing Portal. \*Grimsby is included in the CMA-level data. Data for West Lincoln is unavailable.

Table 7

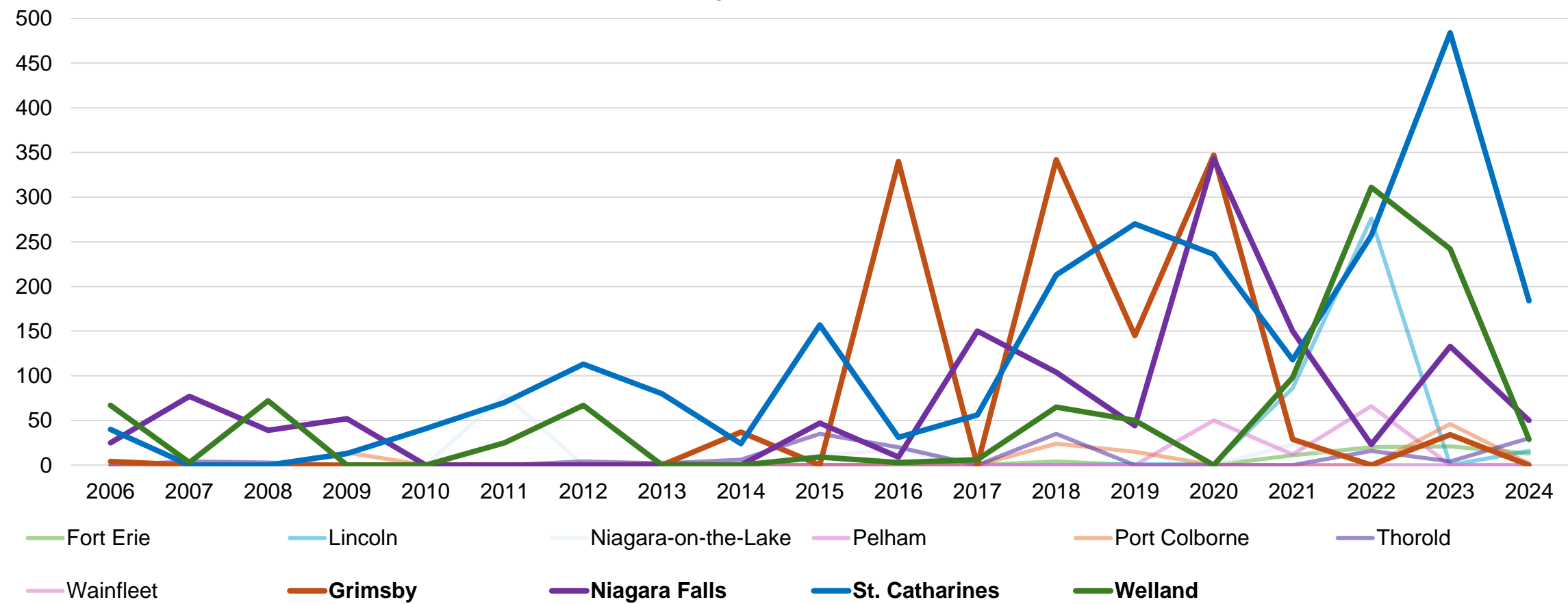
% of Housing Starts as Rowhomes by Period, 2006 to 2024 St. Catharines-Niagara CMA* & Area Municipalities												
Period	Wainfleet	Pelham	Niagara-on-the-Lake	Port Colborne	Thorold	Lincoln	Grimsby	Fort Erie	Welland	Niagara Falls	St. Catharines	St. Catharines-Niagara CMA (Except West Lincoln)
2006-2010	0%	0%	1%	13%	4%	0%	1%	0%	21%	15%	9%	7%
2011-2015	0%	1%	8%	0%	12%	0%	4%	0%	13%	3%	42%	10%
2016-2020	0%	7%	3%	23%	3%	0%	69%	0%	11%	22%	46%	23%
2021-2024	0%	12%	7%	24%	2%	61%	41%	7%	32%	20%	71%	27%
% Change Over Period	0%	+12%	+6%	+11%	-1%	+61%	+40%	+7%	+11%	+5%	+62%	+19%
Source: CMHC Housing Portal. *Grimsby has been included in the CMA-level data. Data for West Lincoln is unavailable.												



Figure 21

**Apartment Unit Starts**

St. Catharines-Niagara CMA\* & Area Municipalities



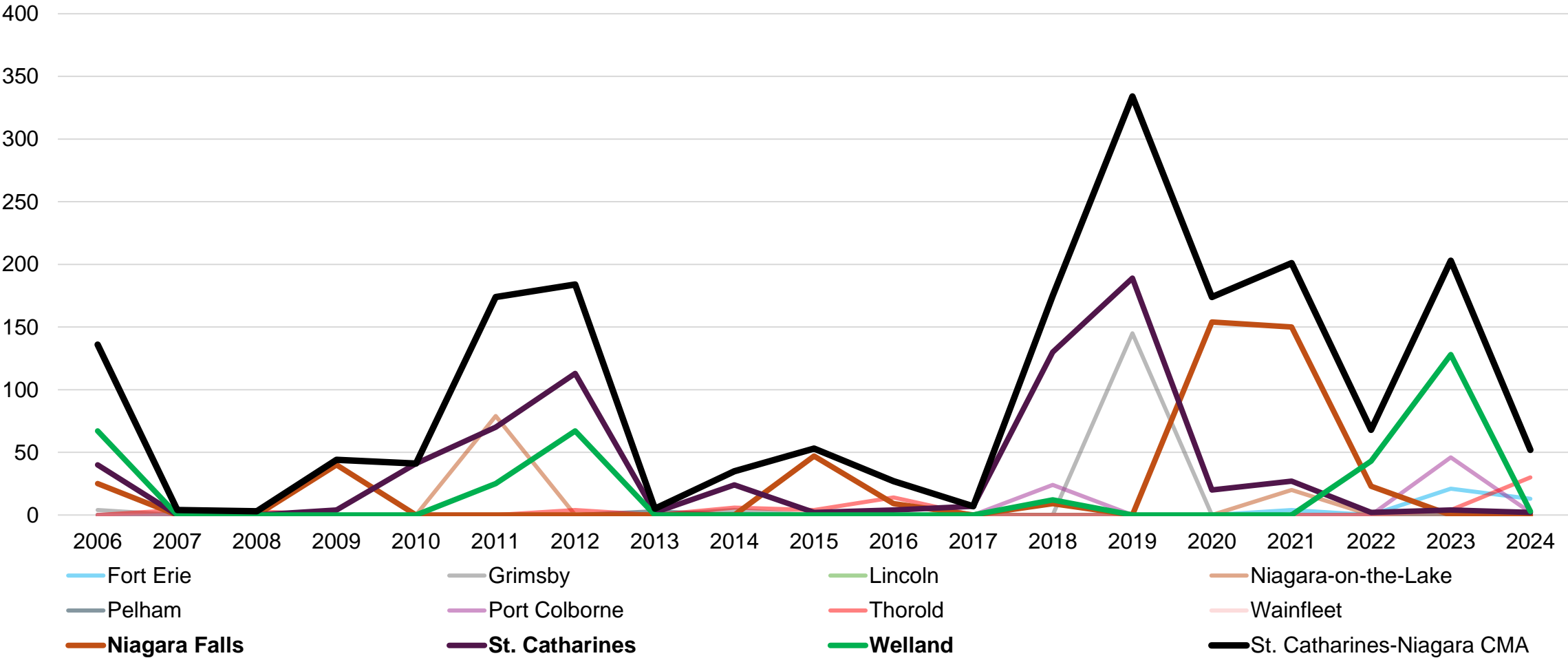
Source: CMHC Housing Portal. \*Grimsby is included in the CMA-level data. Data for West Lincoln is unavailable.

Table 8

% of Housing Starts as Apartment Units by Period, 2006 to 2024 St. Catharines-Niagara CMA* & Area Municipalities												
Period	Wainfleet	Pelham	Niagara-on-the-Lake	Port Colborne	Thorold	Lincoln	Grimsby	Fort Erie	Welland	Niagara Falls	St. Catharines	St. Catharines-Niagara CMA (Except West Lincoln)
2006-2010	0%	0%	1%	13%	4%	0%	1%	0%	21%	15%	9%	7%
2011-2015	0%	1%	8%	0%	12%	0%	4%	0%	13%	3%	42%	10%
2016-2020	0%	7%	3%	23%	3%	0%	69%	0%	11%	22%	46%	23%
2021-2024	0%	12%	7%	24%	2%	61%	41%	7%	32%	20%	71%	27%
% Change Over Period	0%	+12%	+6%	+11%	-1%	+61%	+40%	+7%	+11%	+5%	+62%	+19%
Source: CMHC Housing Portal. *Grimsby has been included in the CMA-level data. Data for West Lincoln is unavailable.												

Figure 22

**Rental Apartment Unit Starts**  
St. Catharines-Niagara CMA\* & Area Municipalities



Source: CMHC Housing Portal. \*Grimsby is included in the CMA-level data. Data for West Lincoln is unavailable.

Table 9

% of Housing Starts as Apartment Units by Period, 2006 to 2024 St. Catharines-Niagara CMA* & Area Municipalities												
Period	Wainfleet	Pelham	Niagara-on-the-Lake	Port Colborne	Thorold	Lincoln	Grimsby	Fort Erie	Welland	Niagara Falls	St. Catharines	St. Catharines-Niagara CMA (Except West Lincoln)
2006-2010	0%	0%	1%	13%	4%	0%	1%	0%	21%	15%	9%	7%
2011-2015	0%	1%	8%	0%	12%	0%	4%	0%	13%	3%	42%	10%
2016-2020	0%	7%	3%	23%	3%	0%	69%	0%	11%	22%	46%	23%
2021-2024	0%	12%	7%	24%	2%	61%	41%	7%	32%	20%	71%	27%
% Change Over Period	0%	+12%	+6%	+11%	-1%	+61%	+40%	+7%	+11%	+5%	+62%	+19%
Source: CMHC Housing Portal. *Grimsby has been included in the CMA-level data. Data for West Lincoln is unavailable.												

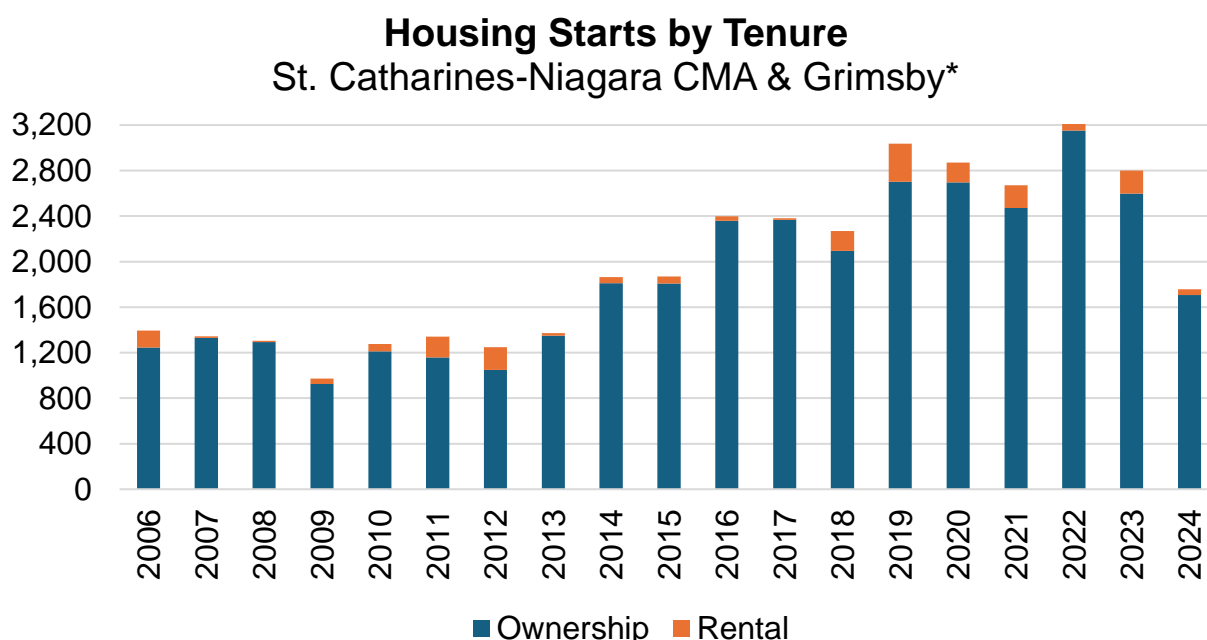
### 4.3.3 By Tenure

Housing starts in the region have traditionally been, and continue to be, for ownership housing. Between 2020 and 2024, only an average 5% of annual starts have been in rental housing, with all of these being apartment units. Only a total of 2,100 rental units have been started since 2006, or an average of 110 units annually – not considering the variability in rental housing start activity year-over-year (**Figure 18**).

Most rental apartment starts have occurred in the St. Catharines, Niagara Falls, and Welland, the three largest area municipalities. Starts peaked in 2019 with 334 rental units, which subsequently decreased in the following years (**Figure 23**). New rental housing has also not been consistent across these municipalities, with multiple periods of little to no starts interspersed by certain years of high activity, likely tied to one or two larger apartment projects.

This reflects the dominance of ownership-oriented housing demand in Niagara region, and the very limited rental supply growth experienced over the decades.

Figure 23



Source: CMHC Housing Portal. \*West Lincoln is unavailable on the Housing Portal.

## 4.4 Ownership Housing

The following section provides an analysis of Niagara region's ownership housing market, focusing on pricing, construction trends, and development characteristics of new and resale residential dwellings across the region.

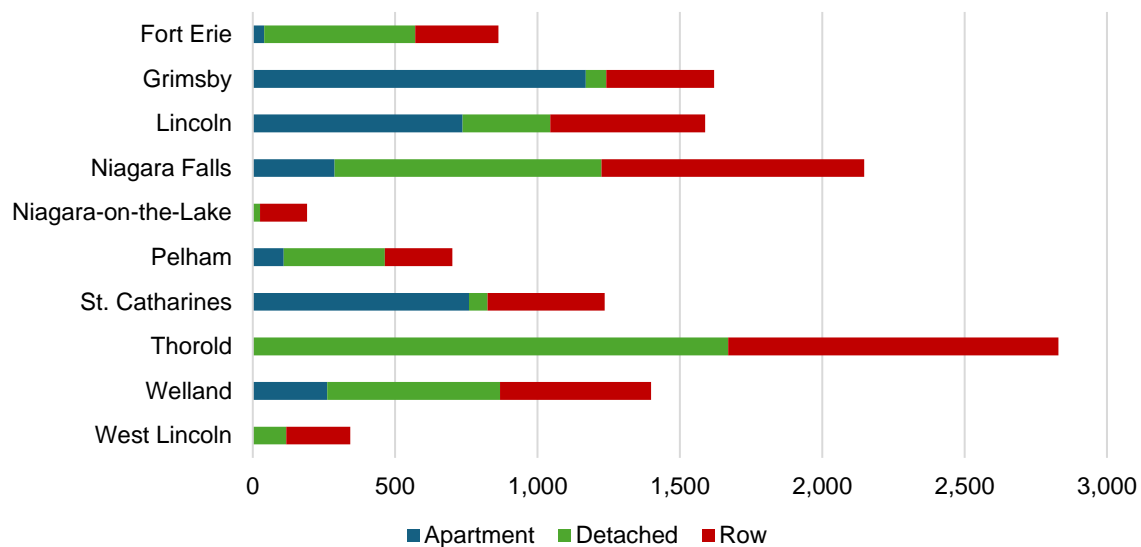
### 4.4.1 Pricing trends by type – New Sale

The data and discussion to follow focuses on new housing sales (e.g., new subdivisions, pre-sales in condominium buildings, etc.).

From 2015 to 2024, Grimsby, St. Catharines, and Lincoln saw the highest number of new construction apartment sales compared to other municipalities in the region (**Figure 24**). Among other factors, this trend may be influenced by their proximity to the GO Transit rail line, which provides direct access to the Greater Toronto Area (GTA), making them attractive to commuters seeking more affordable housing options outside the GTA. The expansion and improvement of the GO train service along the Niagara corridor is making these municipalities more accessible, increasing demand for high-density residential developments like apartments.

**Figure 24**

### New Construction Sales, by Product Type Niagara Region: 2015-2024



Source: Altus Data Studio. \*No Data Available for Port Colborne.

By contrast, municipalities farther from major transit routes, such as Thorold and West Lincoln, have seen little to no apartment sales, with a stronger preference for detached and row housing instead. This suggests that transit accessibility plays a key role in shaping housing development trends in the region.

NBLC conducted a survey of new, actively selling residential projects, including condominium apartments, townhomes, and single-detached dwellings. **Figure 25** and **26** to follow highlights examples of new developments currently marketing in Niagara region, which are representative of typical pricing and unit sizes for each product type.

Apartments and stacked townhomes were generally concentrated in higher-density nodes such as St. Catharines, Niagara Falls, and Welland — where greenfield lands are less available, and where existing population and housing demand allows for such typologies to be built. In contrast, single-detached and traditional townhome communities were more commonly located along the urban fringes with more available greenfield lands. NBLC observed that apartments and stacked townhomes typically offered the most affordable entry points, followed by row townhomes and single-detached homes.

Figure 25 – Sample of Surveyed Actively Marketing Projects

### Apartments

**Project:** Merritton Mills  
**Location:** 47 Hastings St, St. Catharines  
**Occupancy Date:** October 2026  
**Total Units:** 71  
**# of Storeys:** 5  
**Avg. Unit Size:** 904 sf  
**Average Price:** \$630,000



**Project:** Kingsway on Riverside  
**Location:** 215 Riverside Dr, Welland  
**Occupancy Date:** May 2026  
**Total Units:** 28  
**# of Storeys:** 3  
**Avg. Unit Size:** 1,032 sf  
**Average Price:** \$656,400



### Townhomes

**Project:** Parkside39  
**Location:** 3846 Portage Rd, Niagara Falls  
**Occupancy Date:** April 2026  
**Total Units:** 39  
**Avg. Unit Size:** 901 sf  
**Average Price:** \$400,000 - \$729,900



**Project:** Legacy on Vine  
**Location:** 294 Vine St, St. Catharines  
**Occupancy Date:** April 2023  
**Total Units:** 64  
**Avg. Unit Size:** 21' lots, 1,435 sf  
**Average Price:** \$740,000 - \$760,000



### Single Detached

**Project:** Empire Canals  
**Location:** 401 Canal Bank St, Welland  
**Occupancy Date:** April 2026  
**Avg. Size:** 27' lots, 1,685 – 2,203 sf  
**Average Price:** \$675,000 - \$750,000

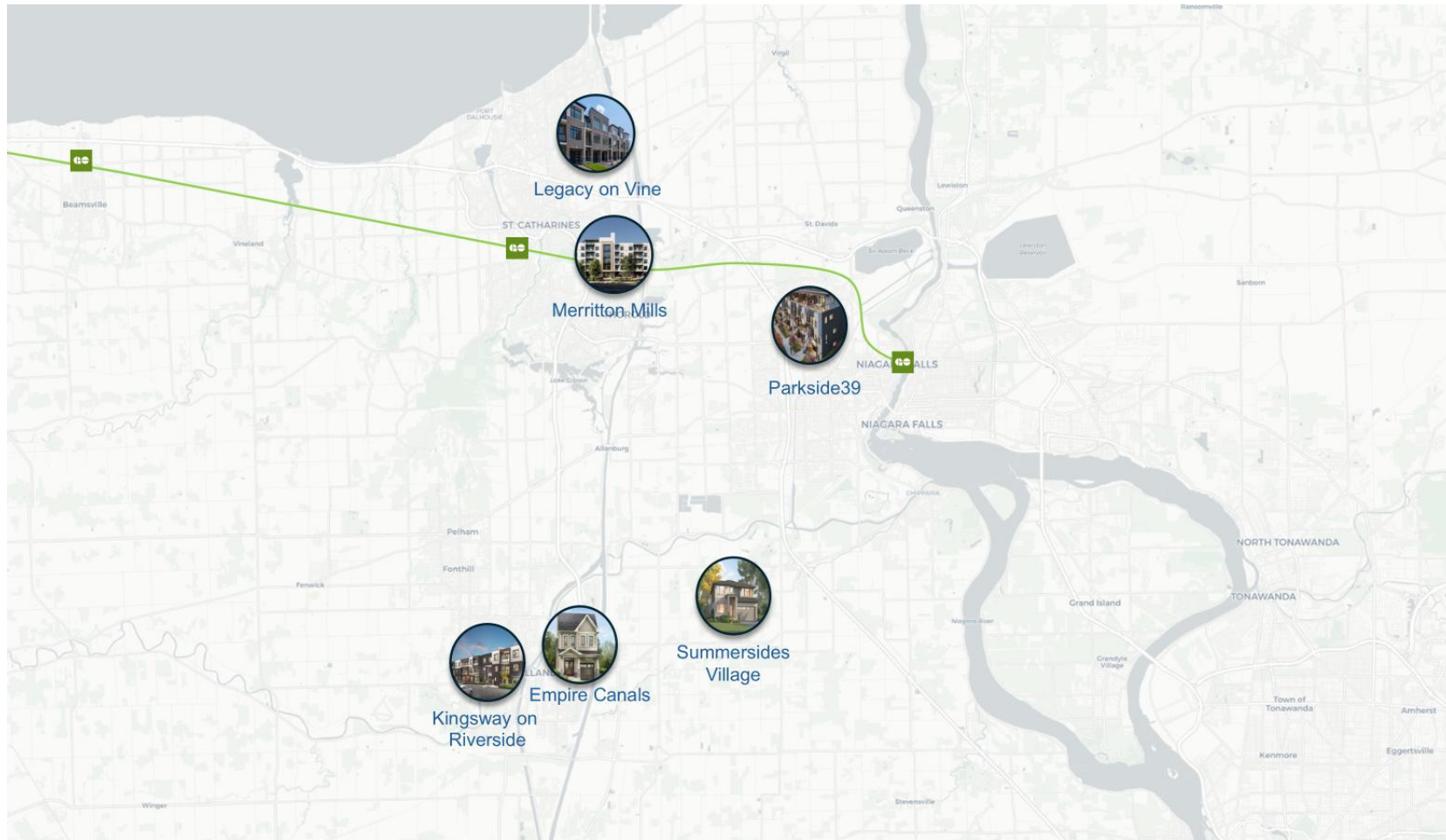


**Project:** Summerside Village  
**Location:** 101 Port Robinson Rd, Pelham  
**Occupancy Date:** April 2026  
**Avg. Size:** 40' lots, 1,242 – 2,858 sf  
**Average Price:** \$999,900 - \$1,194,900





**Figure 26 – Location of Surveyed Actively Marketing Projects**



#### 4.4.2 Pricing Trends by Type – Resale

NBLC conducted a survey of resale (i.e., existing homes) transactions across three property types within Niagara region (single detached, townhomes and apartments) for dwellings sold during the 12-month period to February 2025 (**Table 10**).

The overall average sale price in Niagara was \$711,336, with detached homes having the highest average sale price at \$731,048, followed by townhouses (\$676,171) and condo apartments (\$460,374). Niagara-on-the-Lake (\$1,178,495), Pelham (\$987,615), and Grimsby (\$886,959) were the region's premium markets, while Port Colborne (\$589,243) and Fort Erie (\$633,570) remained the most affordable. St. Catharines (1,477 sales) and Niagara Falls (1,029 sales) recorded the highest sales volumes, indicating their popularity among buyers, whereas smaller markets like Wainfleet (79 sales) and West Lincoln (114 sales) experienced significantly lower activity.

A Sales-to-New-Listings Ratio (SNLR)<sup>8</sup> below 40% signals a buyer's market, 40%-60% indicates balanced market conditions, and above 60% suggests a seller's market. West Lincoln (51%) and Lincoln (47%) had the highest SNLRs, reflecting tighter conditions, while St. Catharines (43%), Grimsby (40%), and Welland (40%) showed balanced demand. Niagara-on-the-Lake had the lowest SNLR (27%), indicating weaker demand, likely due to the premium price points. The regional SNLR stood at 38%, indicating relatively soft resale market conditions.

Overall, like the new sale market, and typical of most real estate markets, single-family homes and apartments were the most and least expensive housing types, respectively. Following the averages identified earlier, real estate values across Niagara region increased rapidly in 2021 before falling in 2023 in response to inflation and interest rate increases.

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<sup>8</sup> *Sales-to-New-Listings Ratio (SNLR): A market indicator that measures the number of homes sold relative to the number of new listings within a given period. It is calculated by dividing total sales by total new listings.*

Table 10

Average Private Resale Prices, by Product Type and Municipality Niagara Region: March 2024 - February 2025				
Product Type	Sales Volume	Avg. Sale Price	New Listings Volume	SNLR
<b>Fort Erie</b>				
Detached	558	\$630,997	1,593	35%
Row Townhouse	31	\$682,589	116	27%
Condo Apartment	1	\$549,900	3	33%
<b>Subtotal:</b>	<b>590</b>	<b>\$633,570</b>	<b>1,712</b>	<b>34%</b>
<b>Grimsby</b>				
Detached	230	\$1,030,393	515	45%
Row Townhouse	68	\$731,971	148	46%
Condo Apartment	64	\$536,170	247	26%
<b>Subtotal:</b>	<b>362</b>	<b>\$886,959</b>	<b>910</b>	<b>40%</b>
<b>Lincoln</b>				
Detached	191	\$943,070	420	45%
Row Townhouse	67	\$698,303	126	53%
Condo Apartment	22	\$448,564	54	41%
<b>Subtotal:</b>	<b>280</b>	<b>\$845,647</b>	<b>600</b>	<b>47%</b>
<b>Niagara Falls</b>				
Detached	909	\$686,301	2,576	35%
Row Townhouse	64	\$672,773	235	27%
Condo Apartment	56	\$435,729	213	26%
<b>Subtotal:</b>	<b>1,029</b>	<b>\$671,823</b>	<b>3,024</b>	<b>34%</b>
<b>Niagara on the Lake</b>				
Detached	227	\$1,212,265	839	27%
Row Townhouse	20	\$965,875	79	25%
Condo Apartment	7	\$690,857	22	32%
<b>Subtotal:</b>	<b>254</b>	<b>\$1,178,495</b>	<b>940</b>	<b>27%</b>
<b>Pelham</b>				
Detached	230	\$1,047,313	601	38%
Row Townhouse	29	\$692,828	99	29%
Condo Apartment	11	\$516,545	38	29%
<b>Subtotal:</b>	<b>270</b>	<b>\$987,615</b>	<b>738</b>	<b>37%</b>

Table 10, Continued

Average Private Resale Prices, by Product Type and Municipality Niagara Region: March 2024 - February 2025				
Product Type	Sales Volume	Avg. Sale Price	New Listings Volume	SNLR
<b>Port Colborne</b>				
Detached	320	\$586,520	689	46%
Row Townhouse	11	\$691,673	26	42%
Condo Apartment	5	\$538,150	39	13%
<b>Subtotal:</b>	<b>336</b>	<b>\$589,243</b>	<b>754</b>	<b>45%</b>
<b>St. Catharines</b>				
Detached	1,270	\$667,754	2,809	45%
Row Townhouse	64	\$621,716	148	43%
Condo Apartment	143	\$422,373	494	29%
<b>Subtotal:</b>	<b>1,477</b>	<b>\$642,002</b>	<b>3,451</b>	<b>43%</b>
<b>Thorold</b>				
Detached	336	\$721,993	1,028	33%
Row Townhouse	98	\$624,898	271	36%
Condo Apartment	6	\$434,833	8	75%
<b>Subtotal:</b>	<b>440</b>	<b>\$696,451</b>	<b>1,307</b>	<b>34%</b>
<b>Wainfleet</b>				
Detached	79	\$708,926	230	34%
<b>Subtotal:</b>	<b>79</b>	<b>\$708,926</b>	<b>230</b>	<b>34%</b>
<b>Welland</b>				
Detached	687	\$610,253	1,653	42%
Row Townhouse	64	\$626,623	213	30%
Condo Apartment	11	\$414,273	39	28%
<b>Subtotal:</b>	<b>762</b>	<b>\$608,799</b>	<b>1,905</b>	<b>40%</b>
<b>West Lincoln</b>				
Detached	97	\$933,009	193	50%
Row Townhouse	14	\$674,357	26	54%
Condo Apartment	3	\$518,333	3	100%
<b>Subtotal:</b>	<b>114</b>	<b>\$890,332</b>	<b>222</b>	<b>51%</b>
<b>Niagara Region</b>				
Detached	5,134	\$731,048	13,147	39%
Row Townhouse	530	\$676,171	1,487	36%
Condo Apartment	329	\$460,374	1,160	28%
<b>Total:</b>	<b>5,993</b>	<b>\$711,336</b>	<b>15,794</b>	<b>38%</b>
<i>Source: MLS.</i>				

#### 4.4.3 *New Development Characteristics and Trends*

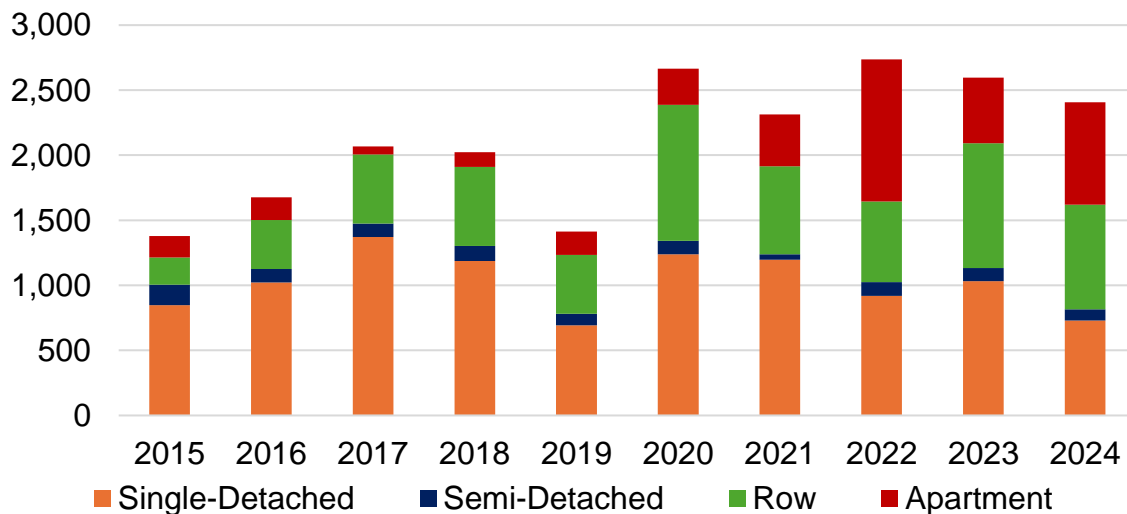
Before 2020, housing completions in Niagara region were predominantly comprised of single-detached homes, accounting for approximately 60% of all completions, while row housing and apartments represented 25% and 8%, respectively (**Figure 27**). However, starting in 2020, the composition shifted significantly, with single-detached homes declining to about 40% of total completions. In contrast, row houses and apartments increased markedly to represent around 32% and 24%, respectively. This trend indicates a clear diversification toward higher-density housing types in recent years.

The recent shift towards higher-density housing types can largely be attributed to growing affordability constraints. Between the 2011 and 2021 census periods, the average total household income in the Niagara region increased by 25%, rising from approximately \$72,400 to \$97,200. Over the same period, however, the average home price rose by 59%, from \$259,100 to \$634,000.

In 2011, the average household income represented 28% of the average dwelling value; by 2021, this ratio had dropped to just 15% (**Figure 28**). This widening gap between incomes and housing costs has contributed to increased demand for higher-density housing—not only in Niagara Region but across the broader Greater Golden Horseshoe.

Figure 27

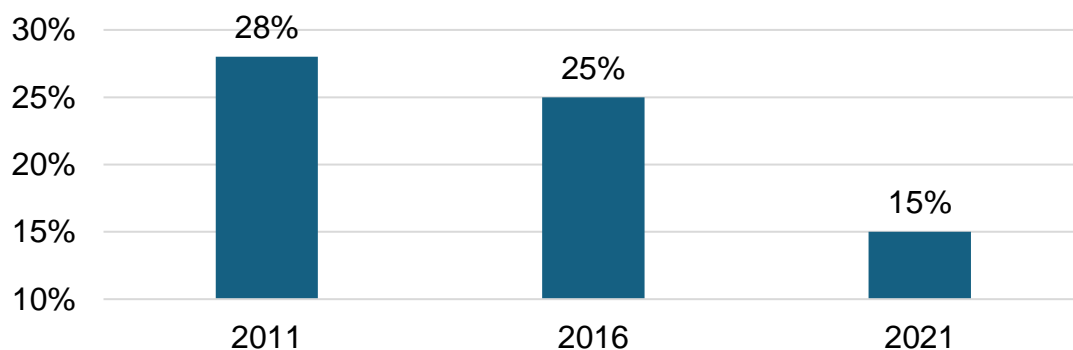
### Annual Completions, By Housing Type St. Catharines-Niagara CMA\* & Grimsby



Source: CMHC Housing Portal. \* West Lincoln is not included.

Figure 28

### Share of Avg. Household Income to Avg. Home Price Niagara region: 2011 - 2021



Source: Statistics Canada.

## 4.5 Rental Housing

### 4.5.1 Rental Universe – Trends and Characteristics

The rental universe, which consists of all purpose-built rental units found in row and apartment structures with three or more units, has remained largely unchanged between 2006 and 2024, standing at between 16,500 and 17,500 units over this period (**Figure 29**). Roughly 95% of this stock is located in apartment buildings, with the remaining in row/townhomes.

Most of the rental universe is located within St. Catharines (7,900 units or 46% of the universe), Niagara Falls (3,500 units or 21%), and Welland (3,100 units or 18%), the three largest municipalities in Niagara Region. The remaining 2,500 units (15%) are located in other municipalities in the region.

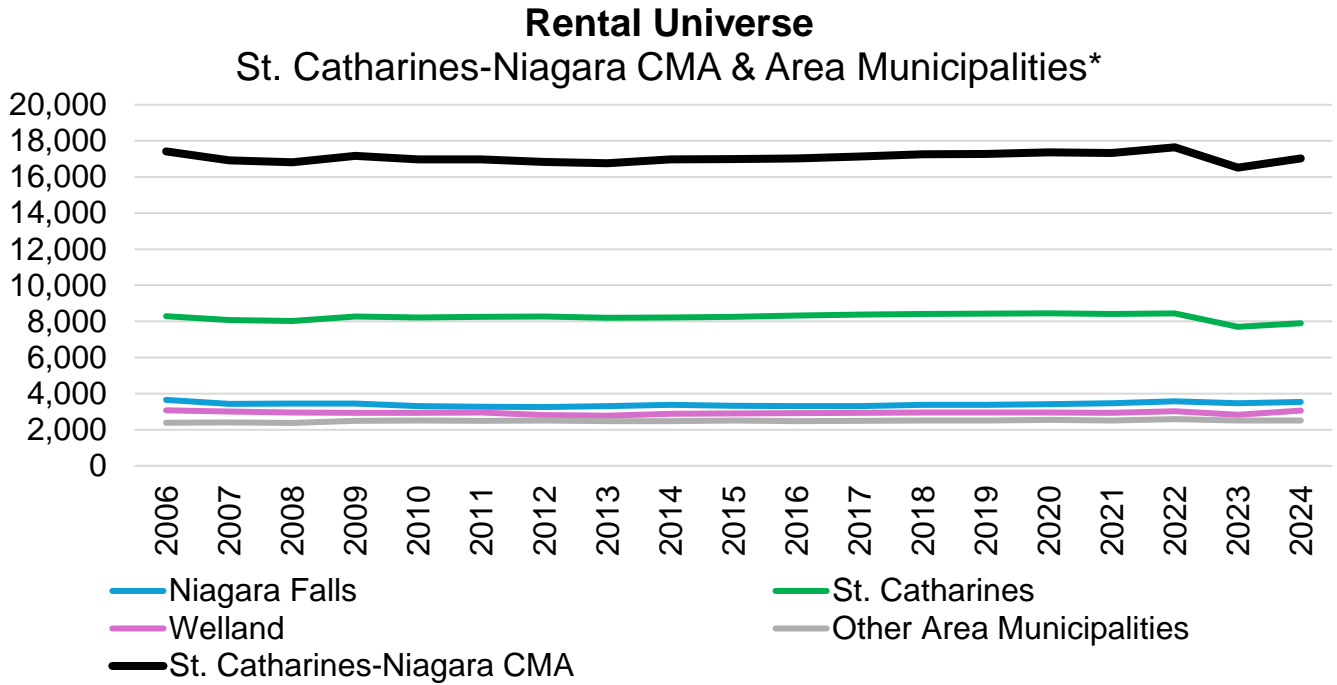
As of 2024, over half (53%) of the rental universe are 2-bedrooms, followed by 1-bedrooms (33%), 3-bedrooms (10%), and studio units (3%) (**Figure 30**), with little change having occurred over the past two decades.

This is reflective of the low number of historical rental starts (discussed in **Section 4.3**) and completions (**Section 4.4.3**), as well as the reflective of the older nature of the existing rental housing stock. As of 2024, nearly 77% of the existing stock (12,800 units) was built before 1980, with only 7% (1,200 units) being built after 2000 (**Figure 31**). The persistence of older rental housing compresses the average rents in the region, as these units are less desirable and more likely to have structural/maintenance issues, as well as being rent controlled under the Residential Tenancies Act. However, the growing number of newer rental stock is likely contributing to higher rents, which will be discussed further in **Section 4.5.3**.

Despite the completion of nearly 1,900 rental units between 2020 and 2024 (**Figure 32**), there has been little change in the overall rental universe. This may be due to factors such as the demolition of older rental apartment or row buildings (particularly those built before the 1980s), the conversion of rental housing into ownership housing, and adjustments to the rental survey data (e.g., to correct multiple identical addresses, exclusion of rooming houses, exclusion of non-market rental housing). Of note, the sudden drop between 2022 and 2023 was due to certain units being transferred out of the CMHC's market rental survey into their affordable and social housing survey.



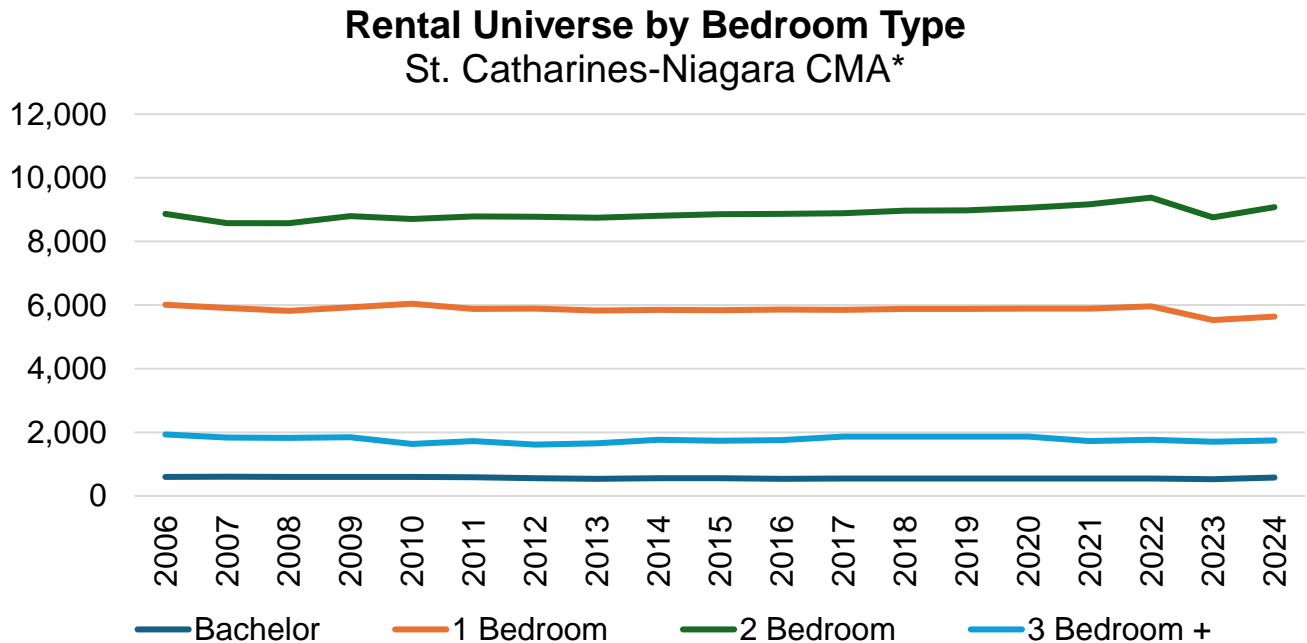
Figure 29



Source: Statistics Canada.

\* Grimsby is included in CMA-level data. Data for West Lincoln is unavailable.

Figure 30



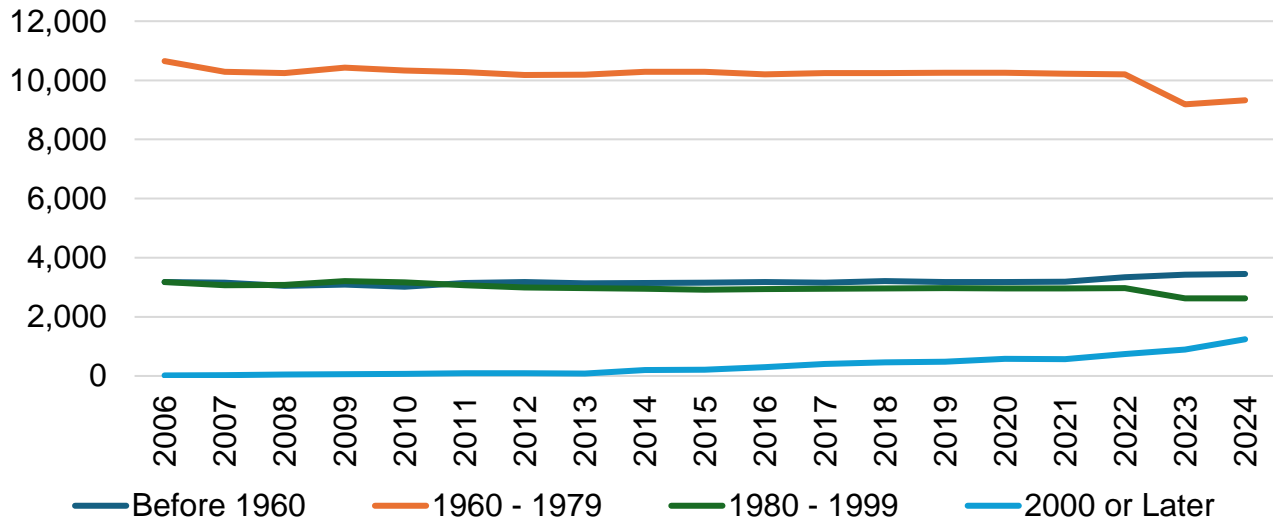
Source: CMHC Housing Portal.

\* Grimsby is included in CMA-level data. Data for West Lincoln is unavailable.



Figure 31

### Rental Universe by Building Age St. Catharines CMA\*

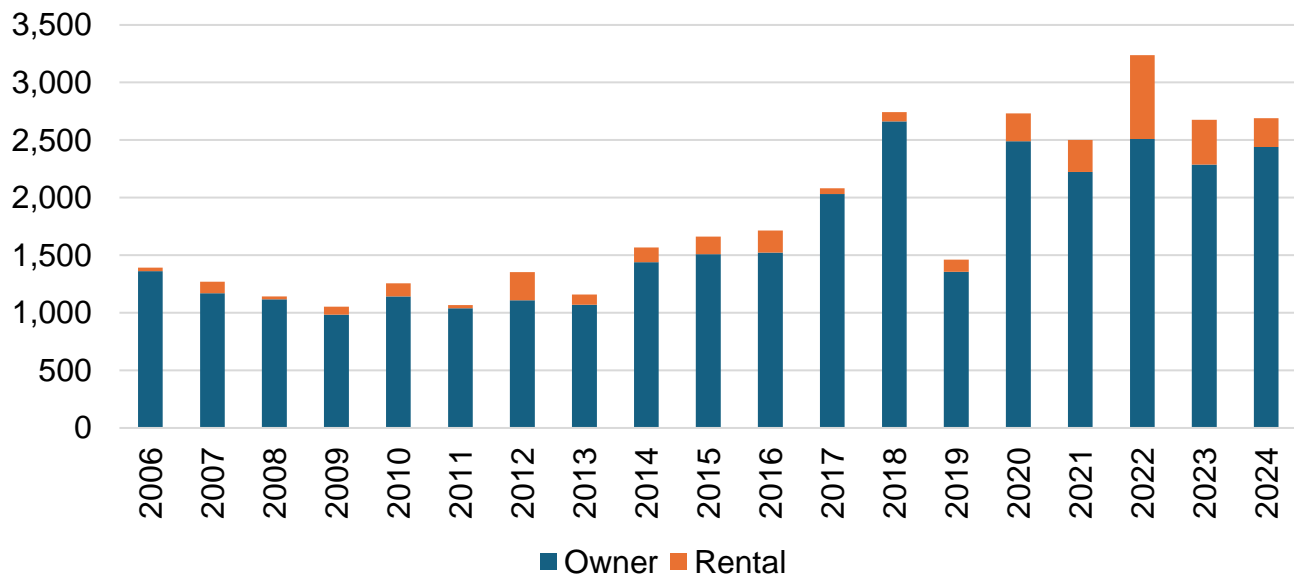


Source: Statistics Canada.

\* Grimsby is included in CMA-level data. Data for West Lincoln is unavailable.

Figure 32

### Housing Completions by Tenure St. Catharines-Niagara CMA\* & Grimsby



Source: CMHC Housing Portal.

\*Grimsby is included in CMA-level data. Data on West Lincoln is unavailable.

#### 4.5.2 Demand for Rental Housing

Demand for rental housing is being driven by a combination of factors, including:

- Post-secondary students.
- International students.
- Temporary foreign workers.
- New immigrants and refugees.
- Residents working across the border.
- Lower and moderate-income residents who cannot afford to purchase a home.
- Eroding affordability in the ownership market is increasing demand for rental housing by pushing more 'would-be' purchasers into the rental market. This is effectively expanding the demand profile of renters from more historical patterns to include a broader spectrum of the population.
- Seniors and others who may prefer to rent over owning a home is also a growing source of demand for rental housing.

#### 4.5.3 Vacancy

As of 2024, Niagara Region's rental vacancy stands at 3.6%, the highest it has been since 2014 (**Figure 32**). While this vacancy is higher than recent trends, it is still at the low-end of balanced conditions (considered to be 3% - 5%). With a balanced vacancy rate, rents tend to increase close to inflation, whereas as lower vacancies allow landlords to increase rents more aggressively as supply falls well short of demand.

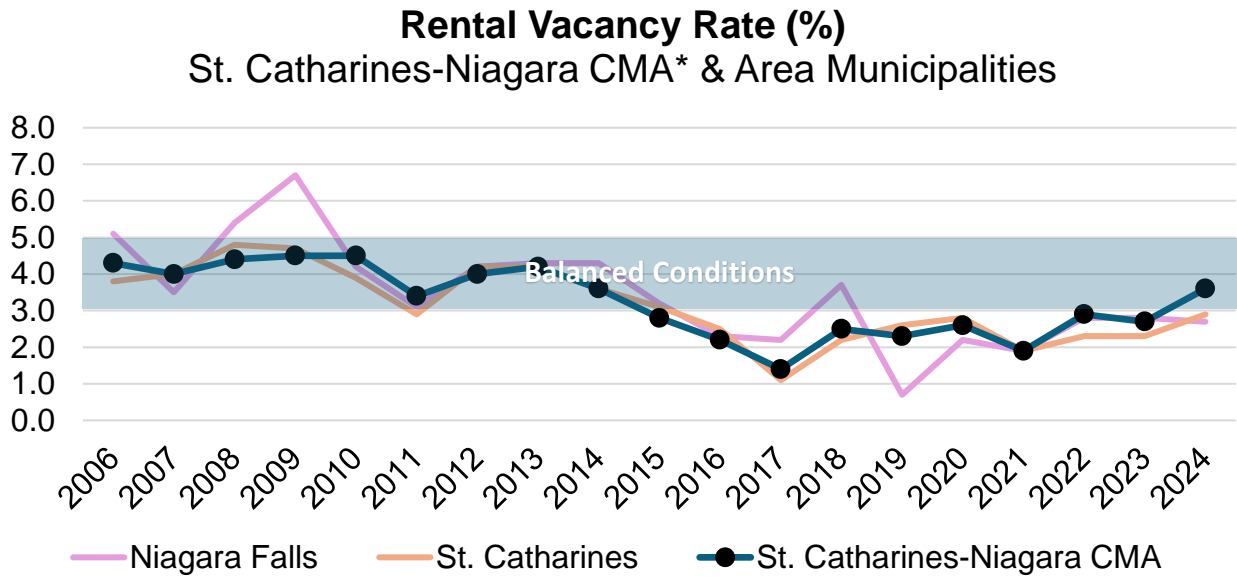
Between 2015 and 2023, rental vacancies in the region have been below balanced conditions, bottoming out at 1.4% in 2017. This was driven by a combination of factors including rising home prices, strong population growth, an overall lack of new rental housing, and other similar considerations.

As illustrated by **Figure 33**, vacancies began to increase beginning in 2022. While population growth continued to be strong over this period, two factors helped stabilize vacancy rates - increased housing completions and the COVID-19 pandemic. The rise in completion of ownership housing from 2013 onwards also likely increased the supply of secondary rental units (i.e., homes owned privately and rented by individuals) in the regional market, while the rise in rental housing

completions from 2020 onwards pushed up the number of purpose-built units available. Meanwhile, the pandemic introduced a temporary pause in strong population growth with a reduced inflow of non-permanent residents, students, and immigrants seen during this period (as assessed in **Section 4.2**).

Compared to other markets in the GTA (**Figure 34**), similar trends are identified where vacancies increased in 2024 in response to these measures. Of note, the impact of the pandemic on Niagara's vacancy rate was less pronounced than these GTA markets.

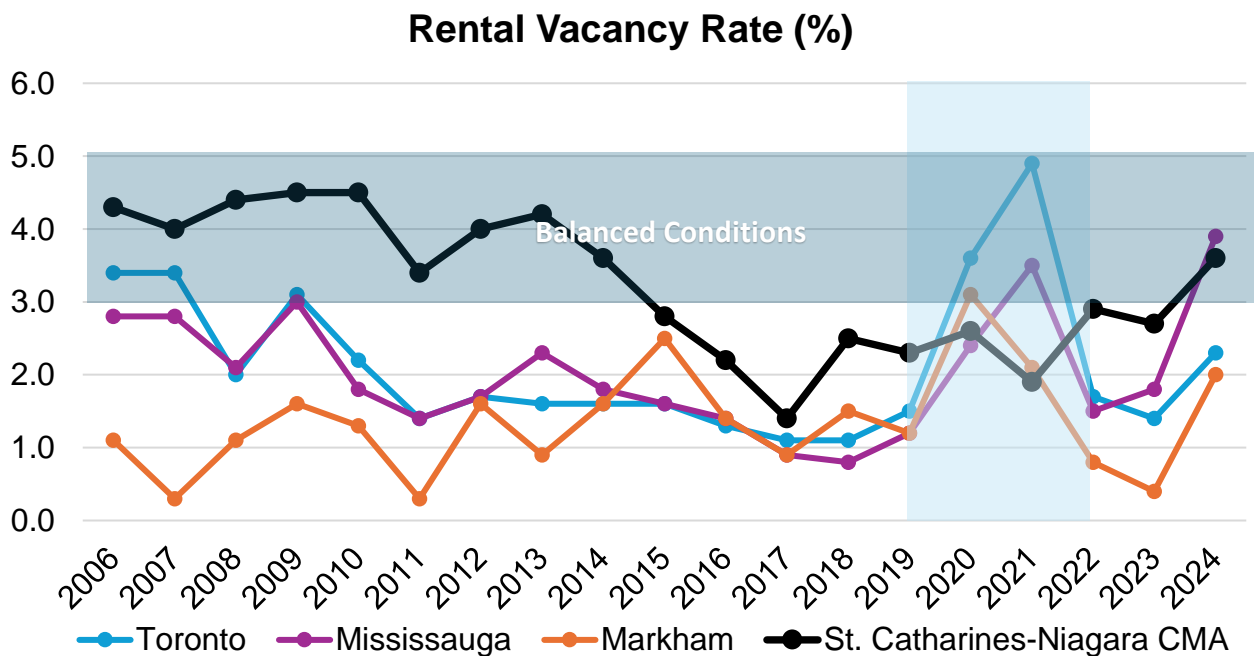
Figure 33



Source: CMHC Housing Portal.

\* Other municipalities were not included due to the quality and/or unavailability of data. Data is fully unavailable for Niagara-on-the-Lake, Wainfleet, and West Lincoln, and are **not** included under St. Catharines-Niagara CMA. Grimsby is **not** included in CMA-level data.

Figure 34



Source: Statistics Canada.

\* Data is fully unavailable for Niagara-on-the-Lake, Wainfleet, and West Lincoln, and are not included under St. Catharines-Niagara CMA.

#### 4.5.4 Average Market Rent (AMR)

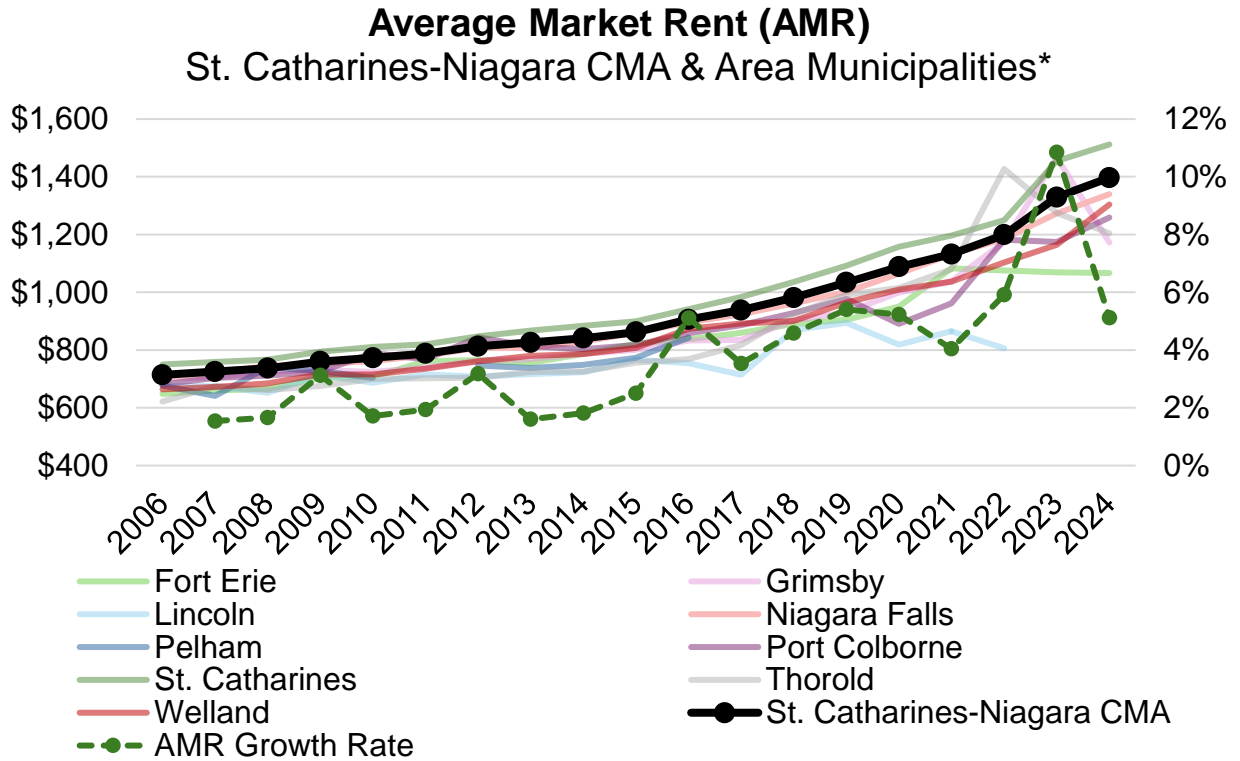
Average market rent in Niagara region currently stands at \$1,397, which has steadily and continuously climbed since 2006, with the largest increases occurring in the last decade (**Figure 35**). Between 2006 and 2015, year-over-year growth was relatively modest, averaging 2.1% or \$16 annually. This shifted in the following decade, with rents increasing on average 5.5% year-over-year between 2016 and 2024 and peaking at 10.8% in 2023, when the average rent increased from \$862 to \$1,329, or an average of \$59 annually.

These rising rents are being driven by a number of factors discussed throughout **Section 4.5** of this report. The primary factors leading to this trend includes low vacancies, a lack of new rental housing delivered, and strong growth and demand for rental housing.

While most housing completed in the region has been ownership housing, not all of these have been taken on by end users – the portion that has purchased by investors has likely been leased out, contributing to the regional rental supply. This newer stock, containing modern amenities, fixtures, and utilities, is more attractive than the existing older, ageing stock, and provides an upwards pressure on average rent across the region.

This effect is likely more pronounced in the last decade, as the share of newly completed rentals continue to increase. While the stock of rentals built in 2000 and after remains a small minority of overall rental housing (7%) (**Figure 31**), the higher volume of completions since 2017 will likely increase this share. Completions have slightly declined from its 2022 peak of over 700 units, but remain solidly above pre-pandemic levels. This will likely continue in the short-term as more rental housing projects complete, but may decline in the medium-term, especially given declining/flattening home prices, a decline in immigration, and volatile economic conditions owing to the implementation of tariffs and a looming national recession.

Figure 35

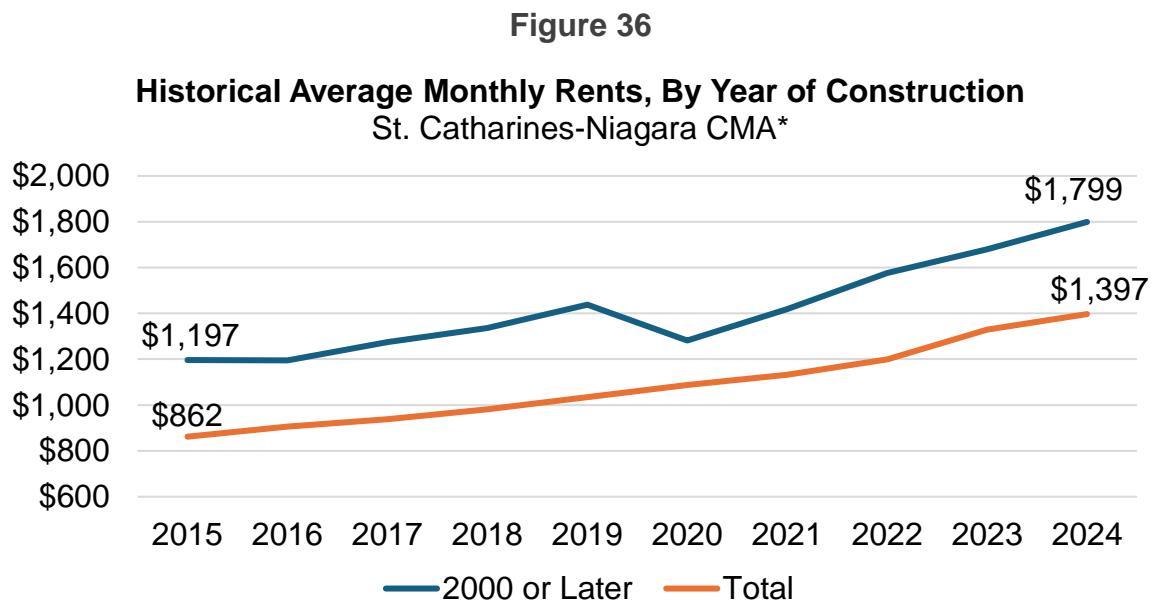


Source: Statistics Canada.

\* Lincoln and Pelham have suppressed data for certain years. Data is fully unavailable for Niagara-on-the-Lake, Wainfleet, and West Lincoln, and so are not included under St. Catharines-Niagara CMA. Grimsby is included in the CMA-level data.

#### 4.5.5 Market Rents – Older vs. Newer Stock

As previously noted, average rents have generally trended upward in recent years, largely driven by tight rental market conditions. However, because most rental buildings in Niagara region were constructed before 2000, average rents across the region do not reflect rental rates for newly constructed rental projects. By contrast, rental projects completed after 2000 achieved an average monthly rent of \$1,799 in 2024 — 28% higher than the regional average across all rental buildings (**Figure 36**).



Source: CMHC Housing Portal. \* Excludes Girmsby and West Lincoln.

To provide context on the scale and pricing of new rental developments in Niagara Region, NBLC conducted a survey of recently completed purpose-built rental apartment projects. One such project is 5971 Dorchester in Niagara Falls, a four-storey building comprising 154 units. As of March 2025, available suites averaged 814 square feet with monthly rents averaging \$2,425. This development is representative of a typical new-construction rental project in the region.

Another example is 699 Niagara in Welland, a recently completed six-storey building with 129 units. This project was positioned more towards the student market, resulting in smaller average unit sizes and lower average monthly rents of approximately \$1,749.

Rents in both of these projects are well above the AMR for the Region, which is typical of newly constructed rental housing.

**Figure 37 – Sample of Surveyed Purpose-Built Rental Projects**

<b>Project:</b>	5971 Dorchester
<b>Location:</b>	5971 Dorchester Rd, Niagara Falls
<b>Total Units</b>	154
<b>Storeys:</b>	4
<b>Occupancy Date:</b>	2022
<b>Average Size*:</b>	814
<b>Average Rent*:</b>	\$2,425 (\$3.02 psf)

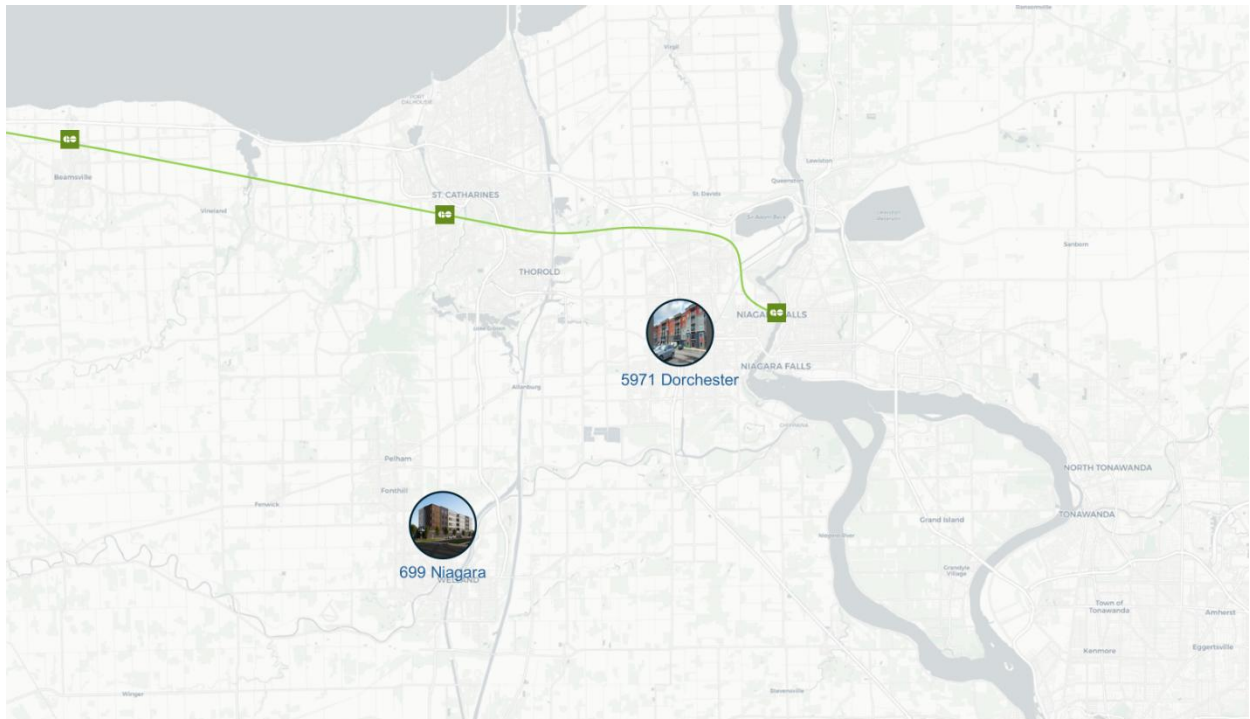


<b>Project:</b>	699 Niagara
<b>Location:</b>	699 Niagara St, Welland
<b>Total Units</b>	129
<b>Storeys:</b>	6
<b>Occupancy Date:</b>	2024
<b>Average Size*:</b>	503
<b>Average Rent*:</b>	\$1,749 (\$3.53 psf)



*\*Average rents and sizing is for available suites as of March 2025*

**Figure 38 – Location of Surveyed Purpose-Built Rental Projects**

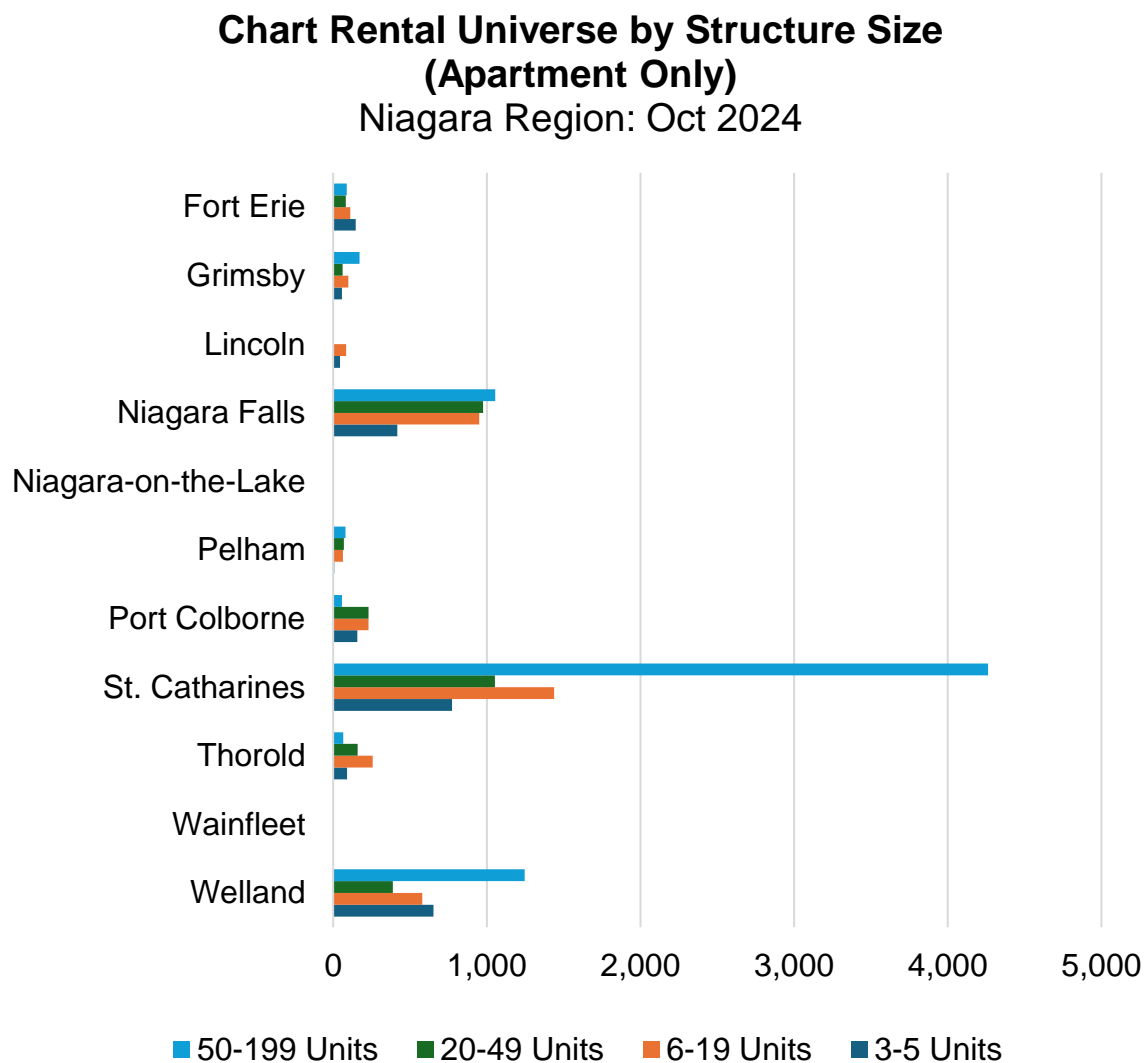




#### 4.5.6 New Development – Locational Characteristics

As of 2024, larger and more urban centres like St. Catharines, Niagara Falls, and Welland have a higher concentration of rental apartments, particularly in mid- and high-density buildings (20+ units) (**Figure 39**). In contrast, smaller municipalities such as Pelham, Lincoln, and Wainfleet have limited apartment stock, mostly in smaller structures.

Figure 39



Source: CMHC Housing Portal.

## 4.6 Proposed Development

There are many development applications and residential units in the development pipeline across Niagara region. The Region creates a distinction between applications that act as expected short-term and long-term housing supply. The discussion below does not include the 1,700 units of undetermined unit type included in an approved Ministerial Zoning Order near the Niagara Falls GO Station. It also does not include 836 long-term care home beds proposed across the region.

Short-term supply, or units in applications that have received draft approval or have been registered but not yet built, represent housing that is close to being on the market and likely being completed within a few years. The following observations can be made about the short-term supply:

- At the end of 2024, there were around 28,800 units in the region's short-term supply pipeline (**Table 11**). Nearly 33% of units have been included in applications that have been registered but not yet built, while the remaining are units in draft approved applications.
- A plurality of these (27%) were in Niagara Falls, followed by Lincoln (13%), Welland (12%), and St. Catharines (11%). Niagara Falls and St. Catharines are naturally to have a higher share of new housing supply in the pipeline as they are largest municipalities, but Lincoln is notable in that it has a considerable share of the short-term supply while being a smaller municipality.
- Over half (52%) of this supply pipeline consists of apartment units, followed by townhomes (28%) and single- and semi-detached homes (20%), indicating that the development activity shift towards denser typologies is continuing in the region. Most of the apartment units nearing market entry or construction are to located in Niagara Falls (27%), Lincoln (21%), and St. Catharines (19%).

Long-term supply, or units in applications that are currently under review or bring proposed, represents housing that may or may not be approved and will likely require a longer period before entering the market.

- At the end of 2024, there were over 29,418 units in the Region's long-term supply pipeline (**Table 12**).
- The largest share of expected long-term supply units will be in St. Catharines (28%), followed distantly by Welland (16%), Niagara Falls (13%) and Port Colborne (13%).

- Port Colborne is an outlier on this list, being the 7<sup>th</sup> most populated municipality and having experienced a net population decrease of 120 people over the last intercensal period.
- Most of the long-term supply are apartment units (64%), followed by townhomes (24%) and single and semi-detached homes (7%), further indicating a continuation of intensification in Niagara region.

Table 11

<b>Short-Term Housing Supply</b> Niagara Region and Area Municipalities				
<b>Municipality</b>	<b>Single &amp; Semi-Detached</b>	<b>Townhome</b>	<b>Apartment</b>	<b>Total</b>
Fort Erie	775	799	1,351	2,925
Grimsby	63	60	1,411	1,534
Lincoln	238	235	3,142	3,615
Niagara Falls	1,778	2,743	4,057	8,578
Niagara-on-the-Lake	330	337	0	667
Pelham	259	415	739	1,413
Port Colborne	15	15	41	71
St. Catharines	11	238	2,901	3,150
Thorold	1,125	1,448	46	2,619
Wainfleet	6	0	0	6
Welland	1,014	1,156	1,350	3,520
West Lincoln	199	551	0	750
<b>Niagara Region</b>	<b>5,813</b>	<b>7,997</b>	<b>15,038</b>	<b>28,848</b>
Source: Niagara Region.				

Table 12

<b>Long-Term Housing Supply</b> Niagara Region and Area Municipalities				
<b>Municipality</b>	<b>Single &amp; Semi-Detached</b>	<b>Townhome</b>	<b>Apartment</b>	<b>Total</b>
Fort Erie	170	492	531	1,205
Grimsby	7	0	1,029	1,060
Lincoln	11	8	951	970
Niagara Falls	177	1,597	2,640	4,432
Niagara-on-the-Lake	55	180	36	271
Pelham	92	8	212	322
Port Colborne	511	1,815	2,017	4,381
St. Catharines	14	567	6,061	7,998
Thorold	334	741	2,217	3,302
Wainfleet	10	0	0	10
Welland	427	1,523	2,729	4,681
West Lincoln	157	141	440	786
<b>Niagara Region</b>	<b>1,965</b>	<b>7,072</b>	<b>18,863</b>	<b>29,418</b>
Source: Niagara Region.				

## 4.7 Population and Housing Projections

Niagara Region is projected to continue growth at a more rapid pace into the future. Through the Municipal Comprehensive Review conducted for its 2022 Official Plan, Niagara region projected the region's population to increase to 694,000 by 2051. When comparing this to adjusted 2021 census numbers, this represents a nearly 40% increase, or nearly 197,000 more residents (**Table 13**). This represents an average annual increase of 1.3 %, in line with the annual growth rate seen between 2016 and 2021.

The largest population increases are expected to be centred in the three largest municipalities, Niagara Falls (43,400), St. Catharines (29,500), and Welland (24,900). Wainfleet and Grimsby are projected to see the least growth, with an additional 600 and 7,000 persons respectively. Meanwhile, relative growth is expected to be most rapid in West Lincoln (+138%), Lincoln (+70%), and Thorold (+59%). Within these projections, West Lincoln moves from the 2<sup>nd</sup> least populated municipality to the 5<sup>th</sup> most populated, overtaking Grimsby.

This population growth will be accompanied by a need to increase the housing supply in each municipality. **Table 14** identifies the forecasted housing need to 2051, with NBLC also summarizing the annual housing starts that occurred between 2014-2024 for comparison to identify whether significant changes to the existing market and development conditions are required to meet the projected need.

It is important to note that the population projections are based on assumptions of demographic, market, and policy conditions in 2021, and are not reflective of recent major events, such as the large reduction in immigration targets and the threat of American tariffs on economic and construction activity in this border region. As such, the following analysis should be reviewed following new projections in the future to more accurately estimate housing need projections across each area municipality.

Based on these projections:

- Niagara region will need to increase annual housing starts significantly, by around 35% to meet the projected growth (e.g., required 3,776 new homes per year relative to only 2,467 new homes between 2014-2024).
- Port Colborne, St. Catharines and Lincoln appear to be the most challenged communities, with each municipality requiring a sustained doubling of annual housing starts to accommodate the projected housing unit need.

- Meanwhile, Wainfleet, Thorold, and Grimsby's recent housing start trends are exceeding the projected average annual starts needed, putting them in an advantageous position in meeting the projected future demand.
- Most other communities appear to require substantial (e.g., Welland, Niagara Falls) to marginal increases (e.g., Pelham, Niagara-on-the-Lake) in their housing start activity.

**Table 13**

<b>Forecasted Population Growth to 2051</b> <b>Niagara Region &amp; Area Municipalities</b>				
<b>Municipality</b>	<b>2021 Population</b>	<b>2051 Population Forecast</b>	<b>Growth</b>	<b>Growth (%)</b>
Wainfleet	7,147	7,730	583	8%
West Lincoln	16,111	38,370	22,259	138%
Pelham	18,847	28,830	9,983	53%
Niagara-on-the-Lake	19,704	28,900	9,196	47%
Port Colborne	20,742	23,230	2,488	12%
Thorold	24,951	39,690	14,739	59%
Lincoln	26,848	45,660	18,812	70%
Grimsby	29,986	37,000	7,014	23%
Fort Erie	34,089	48,050	13,961	41%
Welland	58,101	83,000	24,899	43%
Niagara Falls	98,274	141,650	43,376	44%
St. Catharines	142,359	171,890	29,531	21%
<b>Niagara Region</b>	<b>497,159</b>	<b>694,000</b>	<b>196,841</b>	<b>40%</b>
<i>Sources: Statistics Canada. Niagara Region 2022 Official Plan.</i>				

Table 14

Forecasted Housing Growth to 2051 Niagara Region & Area Municipalities				
Municipality	2051 Forecasted Housing Growth	Annual Housing Starts Needed	Average Annual Housing Starts (2014- 2024)	Amount Below/Above the Projected Need
Wainfleet	420	16	24	54%
Port Colborne	2,300	85	36	-58%
Pelham	4,110	152	134	-12%
Grimsby	4,570	169	215	27%
Niagara-on-the-Lake	4,581	170	145	-15%
Thorold	6,420	238	364	53%
Fort Erie	7,360	273	192	-30%
West Lincoln*	8,690	322	n/a	-
Lincoln	9,835	364	174	-52%
Welland	13,890	514	326	-37%
St. Catharines	19,670	729	338	-54%
Niagara Falls	20,110	745	520	-30%
<b>Niagara Region*</b>	<b>101,956</b>	<b>3,776</b>	<b>2,467</b>	<b>-35%</b>
Sources: Statistics Canada. Ontario Housing Progress Tracker. Niagara Region 2022 Official Plan.				
* Housing start data is unavailable for West Lincoln.				

## 4.8 Summary of Local Municipality Housing Pledges

In 2021, the provincial government announced a housing creation target of at least 1.5 million homes by 2031. Towards this goal, it distributed individual targets to Ontario's larger municipalities, which include St. Catharines, Niagara Falls, and Welland. These municipalities are incentivized to meet or exceed 80% of the set annual targets with funding from the \$1.2 billion Building Faster Fund, with the amounts given out being calculated in proportion to the municipality's share of the overall goal of 1.5 million homes and the amount in excess of the 80% annual target achieved. Housing progress includes the number of annual housing starts (as published by CMHC), conversions of non-residential spaces into residential units, and the addition and upgrading of long-term care home beds.

The City of Welland, which has the lowest target of the three municipalities, is closest to achieving its 2031 pledge, and has most recently met 45% of this target (**Table 15**). Niagara Falls and St. Catharines, which have significantly higher targets than Welland, are behind at 20% and 12%. Based on recent housing start trends, it appears that St. Catharines and Niagara Falls will need to significantly increase housing starts to meet their 2031 target (**Figure 41**).



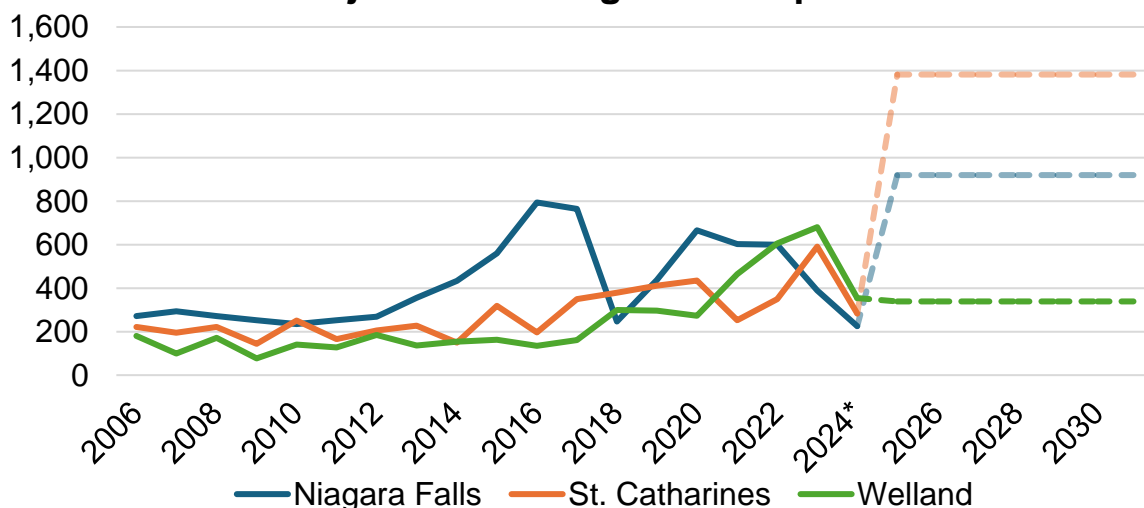
Table 15

Housing Progress Towards 2031 Target				
Municipality	Housing Progress* (2022-2024)	2031 Housing Target	% Achieved (as of 2024)	Required Average Annual Starts to Meet Target
Niagara Falls	1,564	8,000	20%	919
St. Catharines	1,330	11,000	12%	1,381
Welland	1,929	4,300	45%	339

Source: Statistics Canada.  
 \* Includes housing starts, non-residential conversions into residential units, and new and upgraded long-term care home beds.

Figure 40

### Historical Housing Starts & Projected Housing Start Required



Source: Statistics Canada.

\* Data only covers up to October 2024. Historical data does not include new long-term care beds, which are considered in a municipality's housing

## 5.0 Housing Needs in Niagara Region

The following section builds off the Housing Market Assessment to identify key housing needs and gaps in Niagara region's housing market.

### 5.1 Definition of Affordable Housing

The definition of affordable housing in the province has changed over the years. Most recent changes, implemented through Bills 23 and 134, identify the following definitions for affordable housing:

- Affordable **ownership** housing is defined as housing that costs no greater than 30% of gross annual income of the 6<sup>th</sup> decile household in the local municipality or 90% of the average purchase price, whichever is lesser.
- Affordable **rental** housing is defined as housing that costs no greater than 30% of gross annual income of the 6<sup>th</sup> decile household in the local (i.e., upper-tier) municipality or the average market rent, whichever is lesser.

The relevant amounts for pricing and rents are determined by the Minister of Municipal Affairs and Housing and noted in the Affordable Residential Units Bulletin. The applicable rates and associated incentives are highlighted in **Section 2.4.1** of this report.

### 5.2 Definition of Attainable Housing

There are many different definitions of the term “attainable” housing, with no formal definition provided by the Province or Federal government. Of note, the Region's recently completed Attainable Housing Strategy offered the following definition, which will be used hereafter:

- Affordable to 5<sup>th</sup> and 6<sup>th</sup> income decile households for the local area (i.e., the region),
- Adequate in condition,
- Appropriate in size,
- Available in a range of housing options, and
- Requires no government subsidy.

In terms of its targeted household deciles, this mirrors the current definition of affordable housing, however with a specific focus on the upper end of the decile spectrum.

Given this definition, **affordable housing** is assumed to be housing that is **affordable up to the 4<sup>th</sup> income decile households** for the local area the development of which may require government subsidy to operate, while **attainable housing** is assumed to be housing that is affordable for the **5<sup>th</sup> and 6<sup>th</sup> income decile households** and requires no government subsidy to operate.

Regardless of the above, all housing that falls within the Bill 23/134 definition of Affordable Housing would be eligible for the associated as-of-right incentives discussed in **Section 2.4.1**.

## 5.1 Income Data

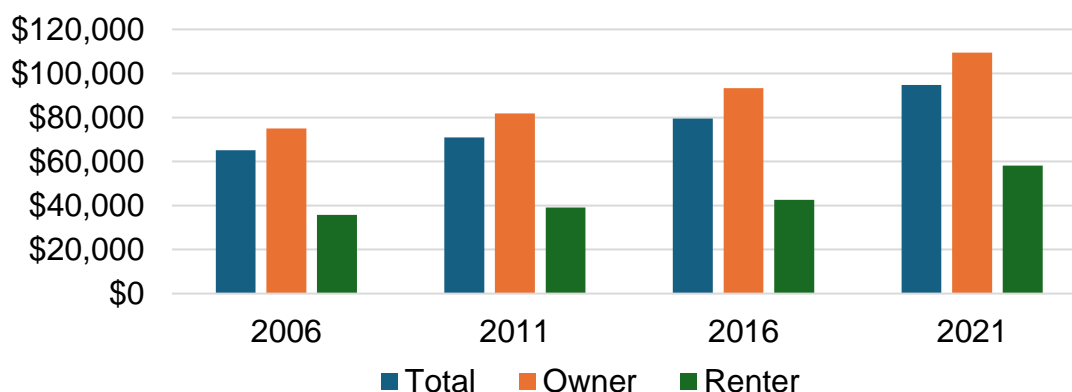
As of 2021, owner and renter households on average have gross household incomes of \$109,400 and \$58,100 respectively. In other words, owner households on average earn \$51,000 (88%) more than renter households (**Figure 42**). Compared to 2006, gross household incomes for owners and renters have increased by \$34,400 and \$22,300 respectively.

This discrepancy between incomes is also present across all income deciles as illustrated by **Table 16**, where renters are typically earning close to half the income of owner households in the region.

As illustrated by **Figure 42**, incomes have been increasing in the region for both renters and owners. Of note, renter household income jumped by 36% between 2016 and 2021, or four times the increase experienced between 2006-2011 and 2011-2016. This strong increase is likely tied to emergency income supports launched in 2020 as a response to the pandemic (e.g., Canada Emergency Response Benefit, Canada Emergency Student Benefit) that were targeted towards vulnerable workers and students – more likely lower-income, renting households - which augmented average renter household incomes in 2020.

Figure 41

### Average Gross Household Incomes by Tenure St. Catharines-Niagara CMA\*



Source: CMHC Housing Portal.

\* Averages do not include West Lincoln and Grimsby.

Table 16

### Household Incomes by Household Decile

Niagara Region

Income Group	Decile Group	Owner Income (2021)	Renter Income (2021)	Owner Income (2024 Estimate)	Renter Income (2024 Estimate)
Low Income	1st	\$36,800	\$20,400	\$43,200	\$24,000
	2nd	\$52,000	\$26,000	\$61,100	\$30,500
	3rd	\$65,500	\$33,600	\$76,900	\$39,500
Moderate Income	4th	\$79,500	\$40,800	\$93,300	\$47,900
	5th	\$94,000	\$48,800	\$110,400	\$57,300
	6th	\$109,000	\$58,400	\$128,000	\$68,600
High Income	7th	\$128,000	\$70,000	\$150,300	\$82,200
	8th	\$154,000	\$86,000	\$180,800	\$101,000
	9th	\$198,000	\$111,000	\$232,500	\$130,300

Source: Statistics Canada Special Data Cross Tabulation.

\* 2024 estimates are based on CPI increases between 2021 and 2024.

## 5.2 Determination of Core Housing Need

According to the Canada Mortgage Housing Corporation, a household is considered to be in Core Housing Need (CHN) if it meets the following criteria:

- A household is below one or more of the adequacy, suitability and affordability standards.
  - Housing is considered adequate when it is not in need of major repairs, which include defective plumbing or electrical wiring, or structural repairs to walls, floors, or ceilings.
  - Housing is considered suitable when there are enough bedrooms for the size and make-up of resident households.
  - Housing is considered affordable when housing costs less than 30% of before-tax household income.
- A household is not able to afford alternative housing on the market that meets these standards.

Given their considerably higher incomes and greater ability to afford a wider selection of housing in the market, owner households are less likely to be in CHN than renter households. Conversely, renter households earn less than owner households and thus can afford a smaller selection of options on the market. Particularly for lower-income households, the rental homes affordable to them likely skew towards older units which might require repair, units which have smaller space than what the household needs, or social housing units which have long waitlists.

As of 2021, 5% of owner households and 25% of renter households are in CHN (**Table 17**). CHN for renter households has dropped considerably from 35% in 2016, but this is likely again tied to the emergency income supports provided by the federal government in 2020. It is very likely that without these income supports, and the continued escalation in the rents, that CHN will increase again in 2026 when new census data is released.

Certain household groups have a higher propensity to be in CHN than others (**Table 18**):

- On average, one-person and one-parent households (representing a combined 22% of all households in the region) had among the highest rates of CHN among

household types, with over 10% of owner households and over 34% of renter households in both groups being in CHN. These are households that most likely have one working individual, with high CHN rates reflective of the difficulty of living in and finding affordable, adequate, and suitable housing with a single income.

- Conversely, couple households (representing 44% of all households) and multi-family households (5% of all households) had the lowest rates of CHN, which represent the likely multiple streams of income these households have access to pay for shelter costs.
- Households led by individuals aged over 55 years experienced above average rates of CHN compared to younger age groups. This likely is reflective of the more limited streams of income for retired adults, which present difficulty in paying off mortgages and property taxes (for homeowners) or for rising rents (for renters).
- There are less pronounced differences between minority and non-minority group-led households, but there were some notable observations.
  - Visible minority-led owner households had higher-than-average rates of CHN, while non-visible minority-led renter households experienced the same.
  - Indigenous-led renter households had a higher-than-average CHN rate.
  - While recent immigrant-led households (i.e., arrived 2016 to 2021) have lower CHN rates compared to the average, their small sample size (0.2% of the population) makes it difficult to assess if this is a finding representative of recent immigrant households, or simply of the specific households in this sample.
- In terms of dwelling typology, households that lived in ground-oriented, single-family housing (i.e., single-detached, semi-detached, and row housing) are less likely to be in CHN than those living in multi-family housing. The former group, representing nearly 80% of households, had CHN rates of 4% to 6% for owner households and 16% to 18% for renter households. Meanwhile those in the latter group, had CHN rates of 11% to 14% for owner households and 27% to 31% for renter households.
- Units in multi-family buildings are usually smaller and more affordable than single-family homes and thus are more likely to be inhabited by lower-income

households and households with more precarious living conditions, leading to higher rates of core housing need.

**Table 17**

<b>Core Housing Need by Tenure Niagara Region</b>		
<b>Year</b>	<b>Owners</b>	<b>Renters</b>
2006	6.0%	31.0%
2011	5.4%	29.7%
2016	6.1%	34.6%
2021	5.0%	24.7%
<i>Source: CMHC Housing Portal.            * Data does not include West Lincoln            and Grimsby.</i>		

Table 18

Households in Core Housing Need By Tenure and Characteristics Niagara Region			
Household Characteristics	% of Total Households	Owners	Renters
# of Households in CHN	-	6,870	12,700
% of Households in CHN	-	4.9%	24.5%
<b>Number of Persons</b>			
1 person	28.0%	13.1%	34.5%
2 persons	36.5%	2.9%	18.4%
3 persons	15.0%	3.1%	18.7%
4 persons	12.8%	1.8%	15.8%
5 persons	4.8%	2.2%	13.7%
6 or more persons	2.8%	1.5%	8.1%
<b>Household Type</b>			
Couples With Children	24.2%	1.6%	10.5%
Couples Without Children	27.8%	1.8%	10.4%
One-Parent Households	9.5%	10.5%	34.3%
Multifamily Households	6.6%	1.9%	10.3%
One-Person Households	28.0%	13.1%	34.5%
Other Non-Family Households	3.9%	5.0%	14.4%
<b>Age of Primary Household Maintainer</b>			
15-24	1.9%	5.6%	20.0%
25-34	11.2%	3.9%	19.8%
35-44	14.4%	4.3%	22.5%
45-54	16.6%	4.4%	22.1%
55-64	21.6%	5.2%	26.9%
65+	34.3%	5.4%	29.9%
<b>Minority Groups</b>			
Recent Immigrant (Landed 2016-2021)	0.2%	0.0%	20.4%
Non-Recent Immigrant-Led Households	99.8%	4.9%	24.6%
Visible Minority-Led Households	9.8%	7.6%	21.3%
Non-Visible Minority-Led Households	90.2%	4.7%	25.0%
Indigenous-Led Households	2.7%	4.3%	28.7%
Non-Indigenous-Led Households	97.3%	5.0%	24.3%



Table 18 - Continued

Households in Core Housing Need By Tenure and Characteristics Niagara Region			
Household Characteristics	% of Total Households	Owners	Renters
<b>Household Structural Type of Dwelling</b>			
Single-Detached	66.2%	4.3%	17.9%
Semi-Detached	5.4%	5.7%	18.3%
Row house	8.0%	6.2%	16.5%
Apartment/Flat in Duplex	3.3%	11.2%	27.2%
Apartment (<5 storeys)	5.5%	14.3%	28.0%
Apartment (5 or more storeys)	11.1%	11.1%	30.5%
<i>Source: Statistics Canada.</i> <i>Highlighted cells indicate subgroups that have been observed to experience a higher share of CHN compared to the tenure group average.</i>			

### 5.3 Determination of Current Housing Deficit Based on CHN Data (HART)

The University of British Columbia's Housing Assessment Resource Tool (HART) also provides additional insight into which households are currently experiencing housing need in the region. The Tool provides a breakdown of households into income categories (**Table 19**), noting that 73% of very low income, 45% of low income, and 7% of moderate-income households are in CHN. Overall, HART estimates there is a current unmet housing need of nearly 20,000 homes in Niagara region, predominantly for lower-income households.

HART also breaks down CHN across households by the number of persons in the household (**Figure 43**), indicating the following:

- 59% of households in need are one-person households, followed by 23% for two-person households, 10% for three-person households, and 8% for the remaining.
- CHN is significantly higher for one-person households, which has been reflective of our findings in **Section 5.4**. This also reflects that the largest need is for small unit sizes (e.g., one- and two-bedroom homes).

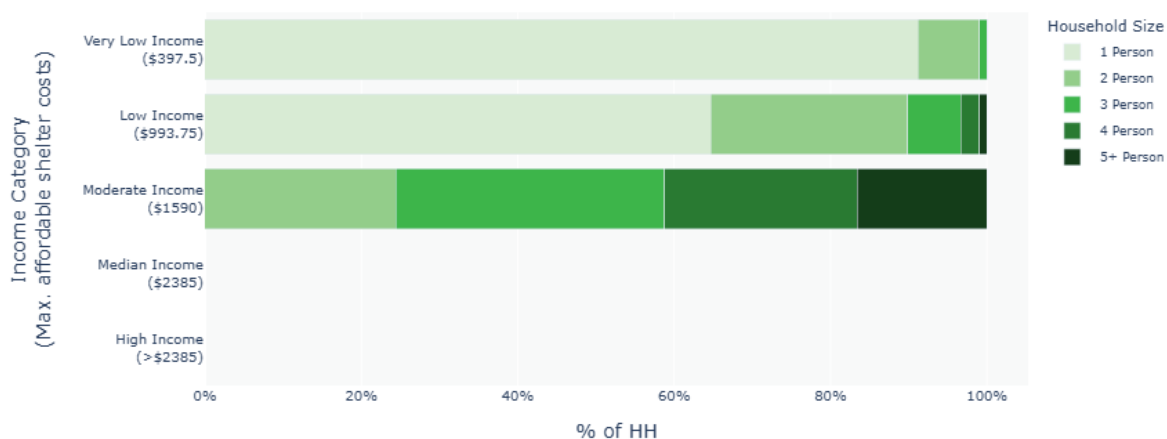
- However, the data also illustrates that household needs change across affordability levels, with very low-income groups being comprised almost entirely of one-person households, and a broader distribution of household sizes in the low and moderate-income categories.
- While the HART data indicates no housing needs for moderate-income groups, this reflects the data assessment methodology rather than ‘on the ground’ affordability findings. For example, the HART data identifies that there are homes in the market at these pricing levels, but cannot quantify how many exist.
  - The above therefore underestimates the need for moderately affordable housing in a market, which is explored further in this section to follow.

**Table 19**

<b>Affordable Housing Deficit Niagara Region</b>						
<b>Income Category (Max. affordable shelter cost)</b>	<b>1 Person HH</b>	<b>2 Person HH</b>	<b>3 Person HH</b>	<b>4 Person HH</b>	<b>5+ Person HH</b>	<b>Total</b>
Very Low Income (\$397)	2,275	195	25	0	0	2,495
Low Income (\$993)	9,255	3,610	965	350	135	14,315
Moderate Income (\$1590)	0	670	940	675	455	2,740
Median Income (\$2385)	0	0	0	0	0	0
High Income (>\$2385)	0	0	0	0	0	0
<b>Total</b>	<b>11,530</b>	<b>4,475</b>	<b>1,930</b>	<b>1,025</b>	<b>590</b>	<b>19,550</b>
<i>Source: UBC Housing Assessment Resource Tools.</i>						

**Figure 42**

Percentage of Households in Core Housing Need, by Income Category and HH Size, 2021  
Niagara (CD, ON)



## 5.4 Determination of Needs Based on Incomes, Housing Prices, and Affordable Housing Definitions

Utilizing standardized assumptions, NBLC has taken the incomes for owners and renters across each decile and calculated the affordable rent and purchase price they could afford. As illustrated in **Table 20**, this results in rental rates ranging between \$600 per month to over \$3,250 and home prices ranging between \$107,000 and \$707,000. It is noted that owners might be able to afford a higher purchase price if they have already gained considerable equity through the ownership of another home, have more than a 5% downpayment, have received financial support through family, or some other means.

Of note, the CMHC Average Market Rent (AMR) in Niagara region is approximately \$1,400 per month, aligning closely with affordability in the 5<sup>th</sup> income decile. 80% of AMR is \$1,120, aligning closer to the 4<sup>th</sup> income decile, with 120% AMR being \$1,680 aligning closely with the 6<sup>th</sup> income decile.

**Table 20**

Household Incomes and Affordability Thresholds Niagara Region					
Income Group	Decile Group	Owner Income (2024 Estimate)	Affordable Purchase Price <sup>1</sup>	Renter Income (2024 Estimate)	Affordable Rental Rate (monthly) <sup>2</sup>
Low Income	1st	\$43,200	\$107,200	\$24,000	\$600
	2nd	\$61,100	\$158,400	\$30,500	\$763
	3rd	\$76,900	\$205,000	\$39,500	\$988
Moderate Income	4th	\$93,300	\$254,300	\$47,900	\$1,198
	5th	\$110,400	\$308,700	\$57,300	\$1,433
	6th	\$128,000	\$368,800	\$68,600	\$1,715
High Income	7th	\$150,300	\$438,700	\$82,200	\$2,055
	8th	\$180,800	\$537,400	\$101,000	\$2,525
	9th	\$232,500	\$707,600	\$130,300	\$3,258
Notes/Source: 1- Assumes 30% of gross income is available for accommodation costs. Accommodation costs include mortgage (25 years, 6% fixed 5-year rate, 5% downpayment, 1.61% blended property tax payment). 2- Assumes 30% of gross income is available for monthly rent.					

**Tables 21 to 23** compare these affordability thresholds relative to actual price and rents of homes in Niagara region, as well as the Region's affordable housing offerings. The following summarize these findings:

#### **5.4.1 Ownership Housing**

- Average pricing for new and resale properties indicates that only the top income decile households can afford a home in Niagara. The most affordable unit is an average studio condominium apartment, which is affordable down to the 7<sup>th</sup> income decile household (i.e., households earning \$132,700 or more).
- The above indicates that homeowners entering Niagara region's market are either purchasing properties with significantly higher downpayments than 5%, which would be typical of a first-time buyer not receiving further support (e.g., downpayment assistance from family). These purchasers are therefore either receiving family support, have significant equity through previous homeownership, have a significant downpayment saved, are spending more than 30% of their income on shelter, or some other similar factor.
- While the price points in **Figure 21** are averages across the region, any home available for purchase below the averages displayed would be in very short supply. As identified in Section 4, Niagara region has seen a significant rise in shelter costs over the last few years for both rents and home values.
  - While ownership prices have started coming down from their peak in 2022, the average home price as of 2024 remains 50% above what it was in 2019.

#### **5.4.2 Rental Housing**

- The rental market faces similar challenges, with affordability largely present only for higher-income renter households above the 7<sup>th</sup> income decile. This is observed for both private leases (e.g., rented apartments and homes) as well as purpose-built rental housing.
  - While Niagara region is made up of largely older rental apartment units that tend to be more affordable, these have been accelerating in price in recent years as identified in **Section 4.5.4** (10% increase in 2023 alone), largely due to a lack of new supply and continued demand for rental housing. This situation continues to erode affordability in the market.

- The most affordable options are studio condominium rental units, 1-bedroom purpose-built rental apartment units, and 2-bedroom single/semi-detached home units, which are affordable down to the 7<sup>th</sup> income decile.
- As a result, groups below the 7<sup>th</sup> income decile in the region would struggle to afford a new rental apartment, meaning they would pay more than 30% of their gross income and therefore be in CHN.

#### **5.4.3 Social and Affordable Housing**

- There are also social and affordable housing options in Niagara, delivered either through Niagara Regional Housing, local non-profit entities, or rent supplement units (i.e., privately-owned units subsidized by the region).
  - In Niagara, the social and affordable homes delivered by Niagara Regional Housing and local non-profits are largely aimed at housing socio-economically challenged or disadvantaged households through programs such as rent-geared-to-income (i.e., rent charged at 30% of household's adjusted after-tax income) as well as more affordable and attainable housing options (i.e., at 80% - 100% of average market rent),
  - As illustrated by **Figure 22**, RGI has income limits that generally correspond with households earning below the 6<sup>th</sup> income decile, however this housing most often accommodates the Region's most vulnerable population including those on income supports (e.g., ODSP, OW).
  - There are also homes in the 80% – 100% AMR range that generally align with households in the 4<sup>th</sup> – 5<sup>th</sup> income decile. While not currently offered, and as identified earlier in this section, 125% AMR would fall within the upper range of the 6<sup>th</sup> income decile, with 150% - 180% AMR aligning with the needs of the 7<sup>th</sup> and 8<sup>th</sup> income deciles.
  - While these housing options provide relief to low- and moderate-income households, it is also identified that the available supply does not meet demand as evidenced by the long wait times of at least 7 years up to 21 years in some cases. This is also evidenced by the significant number of renter households in CHN and the current housing deficit identified by HART.

#### **5.4.4 Market Housing**

In addition to broad affordable and attainable housing, Niagara Region also requires new market-rate housing supply. The total projections for the Region, including the recent Housing Pledges (discussed in **Section 4.8**), indicate housing is needed at a much higher rate than has been experienced in recent decades. This is at a time when the development industry is facing significant market and feasibility challenges, with housing construction slowing.

Table 21

Ownership Housing Affordability Gap Analysis											
Income Decile			1	2	3	4	5	6	7	8	9
Household Income (2024 Estimate)			\$32,400	\$47,900	\$62,000	\$76,900	\$93,300	\$111,500	\$132,700	\$162,000	\$211,300
Affordability Threshold			\$107,200	\$158,400	\$205,000	\$254,300	\$308,700	\$368,800	\$438,700	\$537,400	\$707,600
Housing Type		Purchase Price									
New Sales											
Condominium Apartment	Studio	\$469,000									
	1B	\$559,800									
	2B	\$716,600									
Townhome	3B	\$678,600									
	4B+	\$740,900									
Single/Semi-Detached	2B	\$971,700									
	3B	\$875,200									
	4B+	\$1,122,300									
Resales											
Condominium Apartment	Studio	\$405,400									
	1B	\$477,200									
	2B	\$554,400									
Townhome	2B	\$647,800									
	3B	\$642,800									
	4B+	\$735,200									
Single/Semi-Detached	2B	\$535,700									
	3B	\$658,000									
	4B+	\$819,400									
Sources: MLS. Altus.											

	Unaffordable
	Affordable

Table 22

Rental Housing Affordability Gap Analysis											
Income Decile			1	2	3	4	5	6	7	8	9
Renter Household Income (2024 Estimate)			\$24,000	\$30,500	\$39,500	\$47,900	\$57,300	\$68,600	\$82,200	\$101,000	\$130,300
Affordability Threshold			\$600	\$763	\$988	\$1,198	\$1,433	\$1,715	\$2,055	\$2,525	\$3,258
% of AMR			45%	55%	70%	85%	100%	125%	150%	180%	230%
Housing Type		Lease Price									
Private Rentals											
Condominium Apartment	Studio	\$1,900									
	1B	\$2,250									
	2B	\$2,400									
Townhome	2B	\$2,260									
	3B	\$2,435									
	4B+	\$2,600									
Single/Semi-Detached	2B	\$1,900									
	3B	\$2,450									
	4B+	\$2,800									
Purpose-Built Rentals											
Apartment	1B	\$1,900									
	2B	\$2,450									
	3B+	\$2,800									
Sources: MLS. Various leasing websites. NBLC Research											

	Unaffordable
	Affordable



Table 23

Affordable and Social Housing Affordability Gap Analysis											
Income Decile			1	2	3	4	5	6	7	8	9
Renter Household Income (2024 Estimate)			\$24,000	\$30,500	\$39,500	\$47,900	\$57,300	\$68,600	\$82,200	\$101,000	\$130,300
Affordability Threshold			\$600	\$763	\$988	\$1,198	\$1,433	\$1,715	\$2,055	\$2,525	\$3,258
Housing Type		Lease Price									
Average Market Rent											
RGI	Studio	Varies*	Eligible (< \$38,500)								
	1B		Eligible (< \$50,500)								
	2B		Eligible (< \$61,000)								
	3B		Eligible (< \$68,000)								
	4B+		Eligible (< \$83,500)								
80% AMR	Studio	\$947									
	1B	\$1,220									
	2B	\$1,325									
	3B+	\$1,394									
100% AMR	Studio	\$1,184									
	1B	\$1,525									
	2B	\$1,656									
	3B+	\$1,743									
Sources: Niagara Region.											
* Rent-Geared-to-Income (RGI) Housing charges rents at 30% of adjusted net household income, but are limited to households that fall under that income limits identified under Ontario Regulation 370/11.											

	Unaffordable
	Affordable

## 6.0 Key Findings and Next Steps

Overall, there are many housing needs in Niagara region that would be worth targeting through the New Housing Incentive Program. There is also no shortage of approaches to structuring and implementing an incentive program.

While Niagara Region can consider implementing a substantial incentive program that comprehensively addresses needs across the housing continuum / income spectrum, limited financial resources and budget availability will likely require the prioritization of objectives as seen in other communities across Ontario.

The following provides a summary of key findings and considerations that will underpin the creation of Niagara's New Housing Incentive Program. These items will require consultation and further analysis as the project advances.

### 6.1 Housing Outcomes to Target

Overall, there are several key housing gaps in Niagara region's housing market as identified in this report. This includes a general lack of rental housing across the income spectrum, including **affordable rental** (e.g., housing affordable to the 4<sup>th</sup> income decile and below, generally below 85% AMR and social housing requiring subsidy), **attainable rental** (e.g., housing affordable to those in the 5<sup>th</sup> and 6<sup>th</sup> income decile, generally 100% - 125% AMR), and **market rate rental housing** (>125% AMR), as well as **attainable ownership housing** (e.g., homes affordable to those in the 5<sup>th</sup> and 6<sup>th</sup> income decile, generally around \$368,800 - \$376,000, in addition to housing affordable to groups up to the 7<sup>th</sup> and 8<sup>th</sup> income decile, generally around \$550,000).

In addition to the above targeted housing need, it is also identified that the residential real estate market is facing significant challenges, with new housing construction slowing across the province, including Niagara region. As a result, Niagara is now building slower than is forecasted, and well below the required pace of growth to meet the Province's housing pledge. Some communities in Ontario, primarily in the central GTA, are now exploring incentives for market housing to increase and broaden housing supply to address these challenges (see **Section 3.7**).

The following housing needs are therefore identified, in order of priority:

1. Affordable and Attainable rental housing
2. Market rate rental housing

3. Attainable ownership housing
4. Market rate ownership housing

If attainable ownership housing is targeted, decision making around length of affordability will need to be considered. Specifically, Niagara Region will need to decide if one-time affordability, which is most common with this housing outcome, is appropriate. Alternatively, some mechanism will need to be put in place to secure affordable ownership over the longer term, which will likely require the involvement of the Region or non-profit to administer price controls, right of first refusal, or other similar mechanism.

## **6.2 Gaps in the Niagara Region Housing Incentive Landscape**

Despite the expiry of the SNIP TIG and Smart Growth RDC program, Niagara Region continues to offer incentives for deeply affordable housing delivered by both non-profits and the for-profit sectors, primarily through development charge exemptions required by Bill 23 as well as the Partnership Housing Program. Of note, the Partnership Housing Program is currently unfunded and will be considered within the context of this new Housing Incentive Program. The Region also offers incentives encouraging the repair and renewal of existing affordable housing.

[With the expiry of the SNIP TIG and Smart Growth RDC Programs, there are currently no incentives available for market or attainable priced rental or ownership housing at the Regional level, aside from incentives targeting brownfield remediation.](#)

There are also a variety of incentives available at the local level targeting a range of outcomes, with affordable housing incentives offered in some communities. Most local incentive programs are targeting intensification with strategic growth areas without affordability requirements. However, the presence and consistency of these programs across the local municipalities is varied. A new Region-wide Housing Incentive Program can introduce targeted incentives where none currently exist, while also stacking with existing programs.

## **6.3 Alignment with Region Priorities**

While there are many housing outcomes worthy of targeting, Regional Council has directed staff to create an incentive program targeting affordable and attainable housing options. However, given the general lack of new rental housing developed

across the Region, it is likely that incentives are needed to support this important component of the housing continuum, which will be confirmed in the next phase of this project through proforma evaluation.

Many incentive programs target mixed-income buildings (i.e., 90% market-rental, 10% affordable or attainable), where incentives are provided for the below-market units only. However, this is only effective if the market-rate rental component is feasible, otherwise there will be little to no take-up. In this situation, incentives to target market-rate rental, in addition to affordable/attainable rental housing will also be necessary.

Despite the above, council direction indicates that incentives for market-rate ownership housing is not the intention of this New Housing Incentive Program, which will be reconfirmed through consultation with the wide range of stakeholders throughout Part Two of this project.

## 6.4 Incentive Types and Program Structure

As identified throughout **Section 3** of this report, there is no shortage of approaches, structures, and incentives that can be offered to encourage targeted housing outcomes. Examples include:

- Offering incentives tied to specific fees and charges (e.g., grant covering development charges, property taxes).
- Offering capital grants not tied to specific fees and charges (e.g., per door grant).
- Offering a fixed package of incentives on a first-come, first-served basis.
- Offering capital through a competitive process where applicants request the subsidy they require and compete for funding through the establishment of scoring criteria.
- A hybrid approach that offers both a fixed package of incentives in addition to a competitive pool of capital funding (i.e., similar to the Toronto Open Door Program).

Depending on the approach taken, the establishment of eligibility and other criteria will need to be determined and incorporated into the program, which will occur through further consultation through Part Two of this project.

Regardless of the structure, it is an observed best practice that affordable housing incentive programs should apply to the entire municipality. While scored or other criteria can be incorporated that encourage affordable housing in specific areas (e.g., growth nodes, near amenities, etc.), incorporating a broad incentive area will eliminate the potential for an attractive project to be excluded from funding solely because it is located outside of an arbitrarily selected geographic area.

Another key consideration will be the fact that some local communities have affordable housing incentives, whereas others do not. The communities that do have existing programs have indicated they would prefer the Region to match the funding they provide, which would not be possible for communities that do not have programs in place. Regardless of the approach taken regarding the decision to match or not match local incentives, any incentives implemented by the Region should be able to stack efficiently with current or future programs made available by local municipalities.

Ideally, a single Region-wide program could be created with funding stacked by all levels of government. This would ensure a single program is administered with standardized requirements, criteria, eligibility, funding, predictability, and other similar factors that would eliminate the need for developers to apply to multiple different programs. However, as identified in the case studies, this is rare in Ontario.

## **6.5 Incentive Mechanism**

The preliminary recommendation of this background work is that the Region should consider utilizing a Municipal Capital Facilities By-Law (MCFB) to administer the New Housing Incentive Program. The Region is currently soliciting a legal opinion on the best mechanism for this New Housing Incentive Program, as well as the other incentives administered by the Region for Brownfield Remediation and Employment growth, with these latter two objectives likely not being eligible outcomes a MCFB can target. The Region is also currently in the process of updating this document.

Of note, the Region's MCFB currently defines affordable rental housing as 150% of AMR. This could be increased, given the analysis and findings in this report, to target market rental housing as well. For instance, Peel Region defines affordable rental housing up to 170% AMR to provide flexibility in incentivizing market rate rental housing if determined appropriate in the future.

## 6.6 Next Steps

Next steps for this project will include detailed consultation with the Region's working group, Regional Council, the sub-group of Local Municipal CAO's and staff, as well as consultation with the development industry.

After this consultation, NBLC will prepare up to three proformas of prototypical developments in the region to understand the feasibility and level of subsidy needed to encourage their delivery. Building off this analysis, we will then prepare three possible incentive program alternatives for further consultation with all of the groups identified above.

## 7.0 Appendix

### 7.1 Appendix A – Local Municipal Housing Incentive Programs

List of Local Municipal Incentives for Housing Development Across Niagara Region					
Municipality	Geography	Program Name	Program Description	Incentive(s) Offered	Eligibility Criteria
St. Catharines	Downtown, defined Priority Neighbourhoods and Intensification Areas	St. Catharines CIP  Tax Increment Finance Program	The TIF program provides a property tax incentive for eligible projects in strategic areas. Housing of all types and without affordability requirements can be approved, in addition to other outcomes (e.g., commercial investment).	An annual rebate given is 45% of the increase in the (City portion) of property taxes generated by project completion, for a period of up to 10 years	Applicants must comply with the City's Official Plan and Comprehensive Zoning By-law. Developments must receive a passing score of 50 in the following categories 1. Location: Downtown, defined Priority Neighbourhoods and Intensification Areas 2. Density Generation: People /Jobs, Environmental, Remediation, Affordable Rental Housing, Heritage Restoration/Conservation, Mixed Use Development, Municipal Financial 3. Benefit: Increased assessment, investment 4. Value Added: Public realm, climate change, sustainability initiatives Lastly, Property owner shall not be in Arrears

Municipality	Geography	Program Name	Program Description	Incentive(s) Offered	Eligibility Criteria
St. Catharines	TBD	Affordable Housing Incentives	TBD	TBD	TBD
	City-wide	St. Catharines CIP  Development Charge Rental Housing Discount Grant Program	This Program provides increased financial reductions for purpose-built rental dwelling units in the city by reducing the amount of payable Development Charges (DC).	<p>The proposed grant would increase development charge rental discounts as outlined below:</p> <ol style="list-style-type: none"> <li>1. 50 per cent total discount for 1-bedroom units (or smaller) (15 per cent DC Act discount plus 35 per cent HAF-funded top-up)</li> <li>2. 50 per cent total discount for 2-bedroom units (20 per cent DC Act discount plus 30 per cent HAF-funded top-up)</li> <li>3. 35 per cent total discount for 3-bedroom units + (25 per cent DC Act discount plus 10 per cent HAF-funded top-up)</li> </ol>	The proposed development charge discounts apply only to municipal development charges (i.e., not the Region. Building must be rental housing (i.e., condominium projects are not eligible).



Municipality	Geography	Program Name	Program Description	Incentive(s) Offered	Eligibility Criteria
St. Catharines	City-wide	St. Catharines CIP  Accessible Housing Fee Reimbursement Policy	On November 18, 2024, St. Catharines City Council passed the Affordable Housing Fee Reimbursement Policy. This policy will facilitate the reimbursement of building permit fees for proposed accessible dwelling units throughout the city.	As identified in Staff's recommendation, the maximum reimbursement equal to \$2,000 per dwelling unit or 100% of the eligible building permit fee cost, whichever is less. Staff note that proponents may secure additional grants or financial incentives for their project from other agencies and associations.	<p>This policy applies to new accessible dwelling units that:</p> <ol style="list-style-type: none"> <li>1. Are any dwelling type (e.g., detached, semi-detached or townhouse dwelling, accessory dwelling unit, triplex, fourplex, or apartment dwelling unit)</li> <li>2. Are rental or owner-occupied</li> <li>3. Meet the City's Zoning By-law definition of a dwelling unit and meet Division B, Section 3.8 of the Ontario Building Code, including the requirement that there be an accessible path to units</li> <li>4. Are units provided beyond minimum requirements set out in the Ontario Building Code (e.g., the required 15 per cent accessible units within apartment buildings are not eligible for reimbursement under this Policy)</li> </ol>

Municipality	Geography	Program Name	Program Description	Incentive(s) Offered	Eligibility Criteria
Niagara Falls	Downtown	Downtown Community Improvement Plan Revitalization Grant	A financial incentive program in the form of a grant to help offset the increased property taxes that can result from the rehabilitation and revitalization of downtown residential and commercial properties.	The incentive program is a “pay-as-you go” program. The owner is expected to initially pay for the entire cost of the rehabilitation/ revitalization project. As the municipality receives the increased property taxes that result from the project, the City will reimburse the owner in the form of an annual grant. The grant is payable for up to 10 years after project completion or once the costs of the rehabilitation/revitalization project have been repaid to the owner, which comes first. The grant is equivalent to 80% of the increased municipal (City) property taxes in years 1 to 5, 60% in years 6 and 7, 40% in year 8, and 20% in years 9 and 10. In no case will the total amount of the grant payments provided under this program exceed the cost of the rehabilitation/ revitalization project that resulted in the reassessment.	Owners of properties within the Downtown Community Improvement Project Area may apply. Residential and commercial properties within this area are eligible. Properties with buildings, vacant properties and parking lots are eligible. The program does not apply to existing or proposed second level lodging houses or to short or long term care facilities.

Municipality	Geography	Program Name	Program Description	Incentive(s) Offered	Eligibility Criteria
Niagara Falls	Downtown	Downtown Community Improvement Plan Residential Loan	<p>The intent of the Residential Loan Program (RLP) is to stimulate the creation of residential units Downtown.</p> <p>The program provides a financial incentive in the form of a 0% interest loan to promote the:</p> <ul style="list-style-type: none"> <li>- Conversion of non- residential buildings to residential use</li> <li>-Upgrade of existing residential buildings to meet the Building Code, Fire Code and Property Standards By-law</li> <li>- Construction of residential units on vacant properties e.g. vacant lots and parking lots.</li> </ul>	<p>The city provides a loan of \$10 per square foot of habitable space created up to a maximum of \$10,000 per unit. The loan is interest free for a 12-year term and must be repaid in equal consecutive monthly instalments each year, starting two (2) years after completion of the project, with a balloon payment at the end of 12 years. The loan is advanced in four stages upon completion of 40%, 60%, 80% and financial completion (100%) of the project. The initial 40% loan will not be advanced until</p> <ul style="list-style-type: none"> <li>- A loan agreement has been signed, executed and registered on title</li> <li>- A second mortgage for the full loan amount has been registered on title</li> <li>- Construction is 40% complete</li> <li>- The owner provides proof of at least 25% equity in the property; and,</li> <li>- The building has been inspected by municipal staff</li> </ul>	<p>Owners of properties within the Downtown Community Improvement Project Area may apply</p>

Municipality	Geography	Program Name	Program Description	Incentive(s) Offered	Eligibility Criteria
Niagara Falls	Historic Drummondville	Historic Drummondville Community Improvement Plan  Revitalization Grant	A financial incentive program in the form of a grant to help offset the increased property taxes that can result from the rehabilitation and revitalization of downtown residential and commercial properties.	<p>The incentive program is a “pay-as-you go” program. The owner is expected to initially pay for the entire cost of the rehabilitation/ revitalization project. As the municipality receives the increased property taxes that result from the project, the City will reimburse the owner in the form of an annual grant. The grant is payable for up to 10 years after project completion or once the costs of the rehabilitation/revitalization project have been repaid to the owner, which comes first. The grant is equivalent to 80% of the increased municipal (City) property taxes in years 1 to 5, 60% in years 6 and 7, 40%in year 8, and 20% in years 9 and 10. In no case will the total amount of the grant payments provided under this program exceed the cost of the rehabilitation/ revitalization project that resulted in the reassessment.</p>	<p>Owners of properties within the Historic Drummondville Community Improvement Project Area may apply. Existing commercial, residential and mixed use buildings, vacant properties and parking lots are eligible. This program does not apply to any residential project that creates less than two net residential units and it does not apply to the rehabilitation or upgrading of single detached residential dwellings, unless at last two net residential units are created. This program does not apply to existing or proposed second level lodging houses or to short or long-term care facilities..</p>

Municipality	Geography	Program Name	Program Description	Incentive(s) Offered	Eligibility Criteria
Niagara Falls	Historic Drummondville	Historic Drummondville Community Improvement Plan Residential Loan	The intent of the Historic Drummondville Residential Loan Program (RLP) is to provide a no interest loan to promote the construction of residential units through conversion of excess commercial and vacant space to residential units; residential intensification; and the infilling of vacant lots with residential units.	<p>The City provides a loan of \$10 per square foot of habitable space created up to a maximum of \$10,000 per unit and to a maximum of \$250,000. The loan is interest free for a 5-year term and must be repaid in equal consecutive monthly instalments equal to 15% of the loan amount each year, starting one (1) year after completion of the project, with a balloon payment at the end of 5 years.</p> <p>The loan is advanced in four stages, upon completion of 60%, 80% and final completion (100%) of the project. The initial 60% of the loan will not be advanced until:</p> <ul style="list-style-type: none"> <li>- A loan agreement has been signed, executed and registered on title;</li> <li>-A second mortgage for the full loan amount has been registered on title</li> <li>- Construction is 60% complete;</li> </ul> <p>-The owner provides proof of at least 25% equity in the property; and,</p> <p>-The building has been inspected by municipal staff. Additional loan payments will be advanced when the project is 80% complete and 100% complete, in conjunction with financing advances and/or after proof of equity injections. Verification of project completion will be by way of an Architect/Engineer Certificate.</p>	<p>Owners of properties within the Historic Drummondville Community Improvement Project Area may apply, including the following</p> <ul style="list-style-type: none"> <li>- Conversion of/addition to existing commercial and mixed use buildings that creates two or more residential units;</li> <li>-Upgrading/renovation of existing residential buildings/units to bring them into compliance with the Building Code, Fire Code and Property Standards By-law;</li> <li>- Construction of at least two residential units on vacant property, e.g., vacant lots and parking lots.</li> </ul>

Municipality	Geography	Program Name	Program Description	Incentive(s) Offered	Eligibility Criteria
Niagara Falls	Lundy's Lane	Lundy's Lane Community Improvement Plan  Tax Increment Based Grant	A financial incentive program in the form of a grant to help offset the increased property taxes that can result from the rehabilitation and revitalization of downtown residential and commercial properties.	The incentive program is a “pay-as-you go” program. The owner is expected to initially pay for the entire cost of the rehabilitation/ revitalization project. As the municipality receives the increased property taxes that result from the project, the City will reimburse the owner in the form of an annual grant. The grant is payable for up to 10 years after project completion or once the costs of the rehabilitation/revitalization project have been repaid to the owner, which comes first. The grant is equivalent to 80% of the increased municipal (City) property taxes in years 1 to 5, 60% in years 6 and 7, 40%in year 8, and 20% in years 9 and 10. In no case will the total amount of the grant payments provided under this program exceed the cost of the rehabilitation/ revitalization project that resulted in the reassessment.	Owners of properties within the Lundy’s Lane Community Improvement Project Area may apply. Existing commercial, residential and mixed-use buildings, vacant properties and parking lots are eligible. This program only applies to certain types of eligible projects, as outlined in detail in the Lundy’s Lane CIP. This includes: - Redeveloping the property for mixed uses, including costs associated with demolition, site planning/preparation as well as construction. Mixed uses are considered to consist of mixed-use buildings (ground floor commercial and residential uses above) or development consisting of commercial/institutional uses in the front portion of the lot (facing Lundy’s Lane) with residential uses in the rear portion of the lot;

Municipality	Geography	Program Name	Program Description	Incentive(s) Offered	Eligibility Criteria
Niagara Falls	Lundy's Lane	Lundy's Lane Community Improvement Plan  Tax Increment Based Grant Continued			<p>- Converting an existing building to other uses, inclusive of the conversion of an existing building to a mixed use building; conversion of a commercial use to a different commercial use; and conversion of upper storey space to residential units, provided the ground floor space is already occupied by active commercial uses, such as retail, restaurants, personal service shops and similar uses. Eligible costs for these types of projects may relate to exterior and interior renovations, building additions and site works; and</p> <p>- Streetscape improvements, such as sidewalk improvements, lighting, permanent benches or other similar pedestrian amenities, in association with the projects above may be considered eligible on a case by case basis. Additionally, projects must be in compliance with the Lundy’s Lane CIP Urban Design Guidelines. Further, please note that the Lundy’s Lane CIP requires that proposed improvements must consist of a minimum of \$10,000 in eligible works/costs to be considered eligible.</p>

Municipality	Geography	Program Name	Program Description	Incentive(s) Offered	Eligibility Criteria
Port Colborne	Main Street, Downtown, and East Waterfront	Comprehensive Community Improvement Plan  Urban Design Study Grant Program	This program helps to promote the undertaking of professionally prepared high quality urban design studies, architectural/ design drawings, and heritage impact assessments that meet the City's Urban Design Guidelines and any other applicable guidelines and to help offset the costs of preparing said professional urban design studies, architectural/design drawings and heritage impact assessments	Grant equal to 50% of cost of preparing professional urban design studies, architectural/design drawings, and heritage impact assessments to a maximum grant of \$2,000 per property/project	Grant is eligible for all properties with potential for eligible community improvements.
	Main Street, Downtown, and East Waterfront	Comprehensive Community Improvement Plan  Development Charge Grant (DCG) Program	This program aims to promote rehabilitation, redevelopment, development, infill and intensification projects by providing a financial incentive that reduces the City development charge normally payable on such development projects. This incentive is also designed to assist in securing project financing	Main Street, Downtown and East Waterfront DCG: -A grant equal to 50% of the City DC payable  Affordable Rental Housing DCG: -A Grant equal to 100% of the City DC payable on affordable rental housing units - Affordable Rental Housing DCG	Applicants must choose between the TIG Program and the DCG Program (i.e., not stackable). Eligibility and grant is depended on location



Municipality	Geography	Program Name	Program Description	Incentive(s) Offered	Eligibility Criteria
Port Colborne	Main Street, Downtown, and East Waterfront	Comprehensive Community Improvement Plan  Residential Grant Program	<p>This program helps to promote improvements to the quality of the existing housing stock and increase the supply of housing through:</p> <ul style="list-style-type: none"> <li>- Renovations to existing residential units in mixed use buildings</li> <li>- Residential intensification of existing mixed use or residential apartment/multi-unit buildings</li> <li>- The infilling of vacant lots with new residential units.</li> </ul>	Grant equal to 50% of cost of renovating existing residential units and/or constructing new residential units based on \$15 per sq. ft., to a maximum grant of \$15,000 per unit and a maximum of 5 units per property/project (total maximum grant of \$75,000 per property/project)	<p>i) Renovation to existing residential units in mixed use buildings to Building Code, Fire Code, and Property Standards Bylaw.</p> <p>ii) Conversion of excess/vacant commercial space on upper stories of commercial and mixed use buildings into one or more net residential units.</p> <p>iii) Intensification of existing mixed use or residential apartment/multi-unit building that adds one or more net residential units.</p> <p>iv) Vacant lots (including parking lots) converting to mixed use or residential use where two or more net residential units are being created.</p>
	Main Street, Downtown, and East Waterfront	Comprehensive Community Improvement Plan  Development Charge Grant (DCG) Program	<p>This program aims to promote rehabilitation, redevelopment, development, infill and intensification projects by providing a financial incentive that reduces the City development charge normally payable on such development projects. This incentive is also designed to assist in securing project financing</p>	<p>Main Street, Downtown and East Waterfront DCG: -A grant equal to 50% of the City DC payable</p> <p>Affordable Rental Housing DCG: -A Grant equal to 100% of the City DC payable on affordable rental housing units - Affordable Rental Housing DCG</p>	<p>Applicants must choose between the TIG Program and the DCG Program (i.e., not stackable). Eligibility and grant is depended on location</p>

Municipality	Geography	Program Name	Program Description	Incentive(s) Offered	Eligibility Criteria
Port Colborne	City-wide	Comprehensive Community Improvement Plan  Affordable Rental Housing Grant Program	<p>This program aims to increase the supply of new affordable rental housing via:</p> <ul style="list-style-type: none"> <li>- Vacant space on upper stories of commercial and mixed-use building to new affordable rental residential units</li> <li>- Intensification of existing mixed use or residential apartment/multi-unit buildings to create new affordable rental residential units</li> <li>- The infilling of vacant lots with new affordable rental residential units</li> </ul>	Grant equal to 50% of cost of constructing new affordable rental housing units on the basis of \$15 per sq. Ft., to a maximum grant of \$15,000 per unit and a maximum of 5 units per property/project (total maximum grant of \$75,000 per property/project)	New affordable rental housing units; rental housing units only created by eligible project types. Can be combined with the Residential Grant Program, in the Main Street, Downtown, and East Waterfront CIPAs, as applicable.
	Main Street, Downtown, and East Waterfront	Comprehensive Community Improvement Plan  Tax Increment Grant (TIG) Program	This program aims to encourage substantial rehabilitation, redevelopment, development, infill and intensification projects by providing a financial incentive that reduces the property tax increase that can result from these various types of development. This incentive is also designed to assist in securing project financing	Main Street, Downtown and East Waterfront TIG - Annual TIG equal to 80% of City property tax increase generated by a project for up to 10 years following project completion. TIG increases to 100% for affordable rental housing units	Only projects that create a minimum increase in assessment value of the property (as determined by MPAC)

Municipality	Geography	Program Name	Program Description	Incentive(s) Offered	Eligibility Criteria
Thorold	Downtown and Thorold Centre	City of Thorold CIP  Tax Increment – Financing Program (TIFP)	The Tax Increment-Financing Program (TIFP) is intended to provide financial incentives in the form of grants to property owners who undertake appropriate development or redevelopment of properties in the Community Improvement Project Areas that increases property assessment resulting in increased municipal property taxes.	The TIFP may provide a maximum grant of the increase in the municipal portion of municipal property taxes as follows: 80% of the increase in City taxes in Years 1-5, 60% in Years 6 and 7, 40% in Year 8, and 20% in Years 9 and 10.	Developments that do not have \$250,000.00 of eligible expenses will not qualify under the TIFP

Municipality	Geography	Program Name	Program Description	Incentive(s) Offered	Eligibility Criteria
Welland	Urban Area Boundary	Affordable Rental Housing CIP Affordable Housing Study Grant (AHG)	To encourage the creation and maintenance of affordable rental housing, subject to availability of funding	A grant equal to 50% of the cost of studies or plans up to a maximum of \$7,500	Projects must establish one or more of the following: -The feasibility of including at least 30% affordable rental housing units within a new development on a vacant or under-utilized property, or rehabilitation/retrofit of an existing building; or, -The feasibility of incorporating building materials or systems that reduce life cycle costs
	Urban Area Boundary	Affordable Rental Housing CIP Affordable Residential Forgivable Loan (ARFL)	To encourage the creation of new affordable rental housing, eligible properties may receive a one-time forgivable loan to offset costs incurred to construct affordable rental dwelling units.	A forgivable loan acts the same as an upfront one time grant. The applicant will apply with their eligible costs and receive their eligible amount, as defined below: -loan of \$20,000 per affordable dwelling unit -total loan of \$35,000 per property.	This Grant is eligible for Affordable Additional Dwelling Units. Affordable is defined as no greater than the lesser of 80 per cent of the average market rent based on CMHC data. The applicant is required to enter into an agreement with the City at the time of approval which will include program criteria which must be satisfied. No interest or repayment of the loan is required for the duration of the agreement and upon successful satisfactory completion of the program criteria the loan shall be forgiven at the end of the agreement term, requiring no repayment by the applicant.

Municipality	Geography	Program Name	Program Description	Incentive(s) Offered	Eligibility Criteria
Welland	Urban Area Boundary	Affordable Rental Housing CIP Extended Benefit Grant (EBG)	To encourage the creation of deeply affordable rental housing, eligible projects may receive the Extended Benefit Grant. The goal of this grant is to bridge the gap between the rent levels which are the prescribed definition of affordable and the deep level of affordability that some individuals require. The EBG program aims to support the provision of rents as deeply as 20% of AMR through to 60% of AMR	The grant will provide: -A maximum \$6,000.00 per affordable rental unit per year -for up to 10 units per property -for a period of five (5) years	<p>Project eligibility requirements:</p> <ul style="list-style-type: none"> <li>-Only projects which have been approved for and met all requirements of the Tax Increment Grant (TIG) Program and/or Affordable Residential Forgivable Loan (ARFL) Program, including completion of the approved eligible works, construction of the proposed building project, and substantial building occupancy, may apply</li> <li>-Must be a purpose built rental unit</li> <li>-The rent must be 60% of AMR or below to a limit of 20% AMR, or at a level identified in the program guide</li> <li>-At the start of the tenancy agreement the tenant household must have a household income which is not greater than the Household Income Limits for low and moderate income households who are eligible to apply for financially assisted housing through Niagara Regional Housing</li> <li>-The unit may be a new or existing unit that meters the rent level requirements</li> <li>-The unit must be physically maintained as agreed to within a signed agreement between the City and program applicant</li> </ul>

Municipality	Geography	Program Name	Program Description	Incentive(s) Offered	Eligibility Criteria
Welland	Urban Area Boundary	Affordable Rental Housing CIP Tax Increment Grant (TIG)	This program offers a percentage rebate on the annual municipal property taxes (City portion only) derived from the increased assessment value generated by an eligible affordable rental housing project.	The annual grant will range from 60% to 80% of the increase in annual property taxes dependant on the net percentage of affordable units developed for a duration of 10 years.	An eligible project must create at least 5 new affordable rental units and a minimum 30% of the total residential units built must be affordable units.
	Downtown and Health and Wellness Cluster	Downtown and Health and Wellness Cluster CIP Residential Grant	To promote the renovation of existing residential units and the construction of new residential units	Provides a grant equal to \$15 per sq. ft. of created or renovated residential space to a maximum grant of \$15,000 per unit and a maximum of 4 units per property/project (maximum grant per property/ project is \$60,000)	Various criteria, no affordability or tenure requirements.
	Downtown and Health and Wellness Cluster	Downtown and Health and Wellness Cluster CIP Tax Increment Grant (TIG)	To encourage and support rehabilitation, redevelopment, infill and intensification projects in the Project Area by providing a financial incentive that reduces the property tax increase that can result from these various types of development. This incentive is also designed to assist in securing project financing.	Provides eligible projects with an annual property tax reimbursement of 80% for ten years to eligible property owners.	Various criteria, no affordability or tenure requirements.

Municipality	Geography	Program Name	Program Description	Incentive(s) Offered	Eligibility Criteria
Welland	Downtown and Health and Wellness Cluster	Downtown and Health and Wellness Cluster CIP Planning and Building Fees	To facilitate and spur adaptive re-use, infill, intensification, and redevelopment through the provision of an additional financial incentive that will complement and augment the other incentive programs within the CIP.	Provides a Grant equal to 100% of all planning, building permit and sign permit fees to a maximum total grant of \$5,000 per property/project.	Various criteria, no affordability or tenure requirements.
	Downtown and Health and Wellness Cluster	Downtown and Health and Wellness Cluster CIP Development Charge Reduction Program	To encourage and support rehabilitation, redevelopment, infill and intensification projects in the Project Area by providing a financial incentive that reduces or completely removes the City development charge payable on such development projects. This incentive is also designed to assist in securing project financing	75% reduction of City development charges within the CIP area and an additional 25% City development charge reduction is available for projects that meet smart growth design criteria.	Various criteria, no affordability or tenure requirements.

Municipality	Geography	Program Name	Program Description	Incentive(s) Offered	Eligibility Criteria
Grimsby	Downtown	Downtown Grimsby CIP Property Revitalization (Tax Increment) Grant	To encourage and supports rehabilitation, redevelopment, infill and intensification projects by reducing property taxes from these types of development.	Provides eligible projects with an annual property tax reimbursement of 70% to 100% for ten years to eligible property owners.	Project eligibility requirements: - Existing residential and mixed-use buildings, vacant properties - Submission of business plan, architectural drawings and impact studies
	Downtown	Downtown Grimsby CIP Residential Conversion/ Intensification Grant or Loan	To promote residential units through conversion of excess commercial and vacant space on upper stories of commercial and mixed-use buildings to residential units; residential intensification; and the infilling of vacant lots with new residential units	Grant of \$15 per sq. Ft. of residential space to a maximum of \$15,000 per unit, up to \$75,000 per project  Loan of \$20 per sq. Ft of residential space to a maximum of \$20,000 per unit, up to \$100,000 per project	Project eligibility requirements: - Renovations to existing residential units in a mixed-use building - Existing mixed-use building where two or more net residential units are created - Vacant lot converting mixed use or residential use where two or more residential units are created
	Downtown	Downtown Grimsby CIP Development Charge Exemption Program	To promote revitalization and redevelopment of residential projects throughout Downtown Grimsby	50% reduction of Town development charges within downtown area and an additional 50% City development charge reduction is available for projects that meet 3 of 5 Smart Growth principles or have LEED certification	Project eligibility requirements: - New residential and mixed-use buildings, on vacant properties - Redevelopment of mixed-use buildings that create additional residential units



Municipality	Geography	Program Name	Program Description	Incentive(s) Offered	Eligibility Criteria
<b>Grimsby</b>	Downtown	Downtown Grimsby CIP Urban Design Grant Study	To help offset the costs to developers and property owners of preparing professional urban design studies and architectural/design drawings required by the town	Grant of 50% of the cost of urban design study, architectural/design drawing(s) to a maximum grant of \$2,500 per project	Various criteria, no affordability or tenure requirements.
<b>West Lincoln</b>	Urban Area Boundary	Sustainable Downtown Smithville CIP Infill, Intensification and Redevelopment Grant Program	To encourage and support infill development on vacant land, intensification of underutilized land, and redevelopment projects within the Smithville Downtown.	Provides eligible projects with an annual property tax reimbursement of up to 100% to eligible property owners. Grant dependent on level of LEED certification.	Project eligibility requirements: - Existing residential and mixed-use buildings, vacant properties - Submission of business plan, architectural drawings and impact studies
	Urban Area Boundary	Sustainable Downtown Smithville CIP Planning and Building Fees Grant Program	To facilitate and spur adaptive re-use, infill, intensification, and redevelopment through the provision of an additional financial incentive that will complement and augment the other incentive programs within the CIP.	100% coverage on planning and development applications, building permits, and sign permit fees.	Various planning, development, and building permit application criteria. No affordability requirements.

Municipality	Geography	Program Name	Program Description	Incentive(s) Offered	Eligibility Criteria
West Lincoln	Urban Area Boundary	Sustainable Downtown Smithville CIP  Development Charge Exemption Program	To promote development of vacant and underutilized sites and redevelopment on commercial and mixed-use properties throughout the CIP	75% reduction of City development charges within downtown area and an additional 25% City development charge reduction is available for projects that meet 3 of 5 Smart Growth principles or have LEED certification	Various criteria, no affordability or tenure requirements Project eligibility requirements: - New residential and mixed-use buildings, on vacant properties - Redevelopment of mixed-use buildings that create additional residential units

7.2 Appendix B – Ontario Affordable Housing Incentive Programs

Incentive Program Case Studies: Programs Seeking to Incentivize Affordable Housing Development										
Municipality	Incentive Mechanism	Housing Tenure	Geography	Incentive Amount	Eligibility Criteria	Approval Process	Timing of Incentive	Total Budget	Uptake	Upper/Lower Tier Participation
Richmond Hill  Community Improvement Plan (CIP) - Affordable Housing and Sustainable Design	CIP - approved in 2024	Rental	City-wide	Per Affordable Unit Grant - \$150,000 per unit.	Capital Grant - 125% of AMR or less.	First-come, first-served until budget expired	Approval anytime, funding issued at Building Permit	\$13M available until Q4 2026.	First application in-take period expected Q2 2025, with approvals in Q3/4	No formal participation in the CIP
					Other - CIP is open to both for-profit and non-profit developers, all-affordable and mixed-income projects are eligible but incentives will not apply to market housing, minimum of 5 affordable units, homes must be affordable for a minimum of 25-years, projects must also meet the City's new Silver Threshold within their Sustainability Metrics Program, project feasibility through proforma must also be proven	Application open during a defined three month intake period			First application in-take period expected Q2 2025, with approvals in Q3/4	

Municipality	Incentive Mechanism	Housing Tenure	Geography	Incentive Amount	Eligibility Criteria	Approval Process	Timing of Incentive	Total Budget	Uptake	Upper/Lower Tier Participation
<p>Richmond Hill</p> <p>Community Improvement Plan (CIP) - Affordable Housing and Sustainable Design</p>	<p>CIP - approved in 2024</p>	<p>Rental</p>	<p>City-wide</p>	<p>TIEG - covering the incremental increase in property tax. The TIEG does not 'scale down', but rather covers the entire incremental increase for the entire length of the TIEG.</p>	<p>TIEG - Must have at least 10 affordable rental units. 10-year TIEG for rents between 101% - 125% of CMHC AMR, 25-year TIEG for rents at or below 100% of CMHC AMR.</p>	<p>Where request for funding is higher than the available budget, each application will be reviewed against a set of criteria, with funding administered competitively</p>	<p>Approval anytime, funding issued at Building Permit</p>	<p>Program funded through the Federal Housing Accelerator Fund. Funding and program life beyond the HAF is currently unknown.</p>	<p>First application in-take period expected Q2 2025, with approvals in Q3/4</p>	<p>Other incentives available through York Region: Development chare deferral, low-income capital programs. Other incentives currently being explored (e.g., new capital programs to encourage rental and affordable rental, property tax decrease (35% reduction recently permitted by Ontario Government, etc.)</p>

Municipality	Incentive Mechanism	Housing Tenure	Geography	Incentive Amount	Eligibility Criteria	Approval Process	Timing of Incentive	Total Budget	Uptake	Upper/Lower Tier Participation
City of Mississauga  Affordable Rental Housing Community Improvement Plan	CIP - approved in 2024	Rental	City-wide	For units with rents at or below 100% of Average Market Rent (AMR) , the following incentives are available: • Capital grant of up to \$130,000 • Grant-in-lieu of Building Permit fees • Planning fee relief for non-profits (estimated \$50k - \$100k; fee amount depends on size of development and type(s) of application(s) required)	To be eligible for this program, projects must: • Be rental tenure; • Include five (5) or more affordable or below-market units; • Include a minimum 25-year affordability term for the affordable/ below-market units	First-come, first-served until budget expired Applications accepted anytime	Approval anytime, funding issued at Building Permit / at timing of fee payment	\$44M available until Q4 2026	The City received 12 applications from non-profit and private sector developers during an open call for applications. Projects were prioritized on a first-come, first-served basis.	No formal participation in the CIP

Municipality	Incentive Mechanism	Housing Tenure	Geography	Incentive Amount	Eligibility Criteria	Approval Process	Timing of Incentive	Total Budget	Uptake	Upper/Lower Tier Participation
<p>City of Mississauga</p> <p>Affordable Rental Housing Community Improvement Plan</p>	<p>CIP - approved in 2024</p>	<p>Rental</p>	<p>City-wide</p>	<p>For units with rents above 100% AMR but below 125% AMR, the following incentives are available:</p> <ul style="list-style-type: none"> <li>• Grant-in-lieu of City Development Charges (DCs), Community Benefit Charges (CBCs), and Parkland Cash-in-lieu (CIL)</li> <li>• Capital grant of up to \$60,000</li> <li>• Grant-in-lieu of Building Permit fees</li> </ul>	<p>Minimum Unit Size Requirements</p> <p>Units qualifying for funding under this CIP must meet the following minimum unit size requirements:</p> <ul style="list-style-type: none"> <li>• 47 square meters for 1-bedroom units</li> <li>• 63 square meters for 2-bedroom units</li> <li>• 79 square meters for 3-bedroom units</li> </ul>			<p>Program funded through the Federal Housing Accelerator Fund. Funding and program life beyond the HAF is currently unknown.</p>	<p>Eight applications were conditionally approved for funding. These projects will bring 1,400 new purpose-built rental units to Mississauga, including almost 400 affordable and below-market rental units.</p>	<p>Other incentives available through Peel Region: Region's Affordable Housing Incentive Program, rent supplements, other community housing / non-profit grants.</p>

Municipality	Incentive Mechanism	Housing Tenure	Geography	Incentive Amount	Eligibility Criteria	Approval Process	Timing of Incentive	Total Budget	Uptake	Upper/Lower Tier Participation
City of Mississauga  Affordable Rental Housing Community Improvement Plan	CIP - approved in 2024	Rental	City-wide	<p>The Gentle Density Program is intended to provide financial incentives to encourage the provision of up to four (4) units on lower density lots in the City. Eligible proposal include Additional Residential Units (ARUs) on a single-detached, semi-detached, or townhouse lot and plexes.</p> <p>The following incentives are available:</p> <ul style="list-style-type: none"> <li>• A grant-in-lieu of building permit fees is available for the creation / legalization of second, third, and fourth units on lower density lots.</li> <li>• Currently, Provisional legislation does not exempt the fourth unit on a lot from municipal development fees, whereas the second and third unit are exempt. To encourage the provision of four units on a lot, a grant-</li> </ul>	<p>Additional Evaluation Criteria The City may use additional criteria to evaluate applications to the program, including:</p> <ul style="list-style-type: none"> <li>• Shovel-readiness</li> <li>• Total units in project</li> <li>• Percentage of affordable units</li> <li>• Support from other funding partners</li> <li>• Development qualifications of applicant and project viability</li> </ul>	First-come, first-served until budget expired Applications accepted anytime	Approval anytime, funding issued at Building Permit / at timing of fee payment	Staff expect that the program will deliver over 300 new affordable rental and gentle density units over three years.	Staff expect that the program will deliver over 300 new affordable rental and gentle density units over three years.	

				in-lieu of City DCs and Parkland CIL for the fourth unit is available, provided the fourth unit remains rental for a period of 25 years.							
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Municipality	Incentive Mechanism	Housing Tenure	Geography	Incentive Amount	Eligibility Criteria	Approval Process	Timing of Incentive	Total Budget	Uptake	Upper/Lower Tier Participation
<p>Region of Peel</p> <p>Peel Affordable Rental Incentives Program</p>	<p>MCFB - approved in 2020</p>	<p>Rental</p>	<p>Region-wide</p>	<p>Capital budget of \$10M - \$12M administered on a competitive basis to projects that score highest based on established scored criteria</p>	<ul style="list-style-type: none"> <li>• Rental housing below 135% AMR</li> <li>• Minimum 50% 2-bedroom and 35% 3-bedrooms, no unit size requirements</li> <li>• Minimum 5 affordable units</li> <li>• Mixed-income housing permitted, non-profits and for-profits allowed.</li> </ul> <p>Scored criteria to determine funding priority in table below</p>	<p>Application open during a defined three month intake period. Funding is allocated on a competitive basis based on application of scored criteria.</p>	<p>Approval anytime, funding issued at Building Permit</p>	<p>\$10M-\$12M in capital funding allocated annually to the program. Program expected to create ~100 units annually.</p>	<p>As of March 2024, a total of 175 affordable rental units have been funded or approved for funding through the program.</p>	<p>No formal participation in the program</p>

Municipality	Incentive Mechanis m	Housing Tenure	Geography	Incentive Amount	Eligibility Criteria	Approval Process	Timing of Incentive	Total Budget	Uptake	Upper/Lower Tier Participation																																													
Region of Peel	MCFB - approved in 2020	Rental	Region-wide	<table><tr><th>Evaluation category</th><th>Evaluation criteria</th><th>Score</th></tr><tr><td rowspan="7">a) Planning approvals  Note: Points in this category do not stack - points are awarded based on most recent status/ planning approval received.</td><td>Pre application consultation meeting held</td><td>0</td></tr><tr><td>Official Plan/zoning submitted (complete application)</td><td>4</td></tr><tr><td>Official Plan/zoning approved/in effect</td><td>8</td></tr><tr><td>Site Plan submitted (complete application)</td><td>12</td></tr><tr><td>Site Plan approved</td><td>16</td></tr><tr><td>Full building permit issued</td><td>20</td></tr><tr><td>Max score</td><td>20</td></tr></table>	Evaluation category	Evaluation criteria	Score	a) Planning approvals  Note: Points in this category do not stack - points are awarded based on most recent status/ planning approval received.	Pre application consultation meeting held	0	Official Plan/zoning submitted (complete application)	4	Official Plan/zoning approved/in effect	8	Site Plan submitted (complete application)	12	Site Plan approved	16	Full building permit issued	20	Max score	20	<table><tr><th>Evaluation category</th><th>Evaluation criteria</th><th>Score</th></tr><tr><td rowspan="4">f) Energy &amp; environmental performance</td><td>Building energy performance (energy efficiency) meets the Ontario Building Code requirements</td><td>0</td></tr><tr><td>Building energy performance (energy efficiency) exceeds the Ontario Building Code requirements by 15% or greater</td><td>3</td></tr><tr><td>Max score</td><td>3</td></tr><tr><td rowspan="2">g) Applicant qualifications and project readiness</td><td>The following will be considered: • Organizational qualifications and experience • Project details and scope of readiness</td><td>20</td></tr><tr><td>Max score</td><td>20</td></tr><tr><td rowspan="4">h) Financial proposal</td><td>The following will be considered: • Justification of incentive amount • Net present value of rent difference (between market and affordable rent) and incentive requested • Project Information Spreadsheet • Financial plan</td><td>30</td></tr><tr><td>Max score</td><td>30</td></tr><tr><td>Total score</td><td>100</td></tr></table>	Evaluation category	Evaluation criteria	Score	f) Energy & environmental performance	Building energy performance (energy efficiency) meets the Ontario Building Code requirements	0	Building energy performance (energy efficiency) exceeds the Ontario Building Code requirements by 15% or greater	3	Max score	3	g) Applicant qualifications and project readiness	The following will be considered: • Organizational qualifications and experience • Project details and scope of readiness	20	Max score	20	h) Financial proposal	The following will be considered: • Justification of incentive amount • Net present value of rent difference (between market and affordable rent) and incentive requested • Project Information Spreadsheet • Financial plan	30	Max score	30	Total score	100	Approval anytime, funding issued at Building Permit	\$10M-\$12M in capital funding allocated annually to the program. Program expected to create ~100 units annually.	As of March 2024, a total of 175 affordab le rental units have been funded or approve d for funding through the program	No formal participation in the program						
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City of Toronto  Open Door Incentive Program  (NOW TERMINATE D AND REPLACE WITH RENTAL HOUSING SUPPLY PROGRAM IDENTIFIED TO FOLLOW)	MCFB - approved in 2016	Rental	City-wide	For all approved applications, the following fee and charge exemptions are provided. • Planning Application Fees • Development Charges • Building Permit Fees • Education Development Charges (Toronto District School Board only) • Parkland Dedication Fees • Residential Property Taxes (for the term of affordability) • Expedited planning review. Approval through Open Door does not guarantee Planning Act	To be eligible for this program, projects must: • Be rental tenure; • 100% AMR or below. • Program originally required an affordability length of 25 years, which was increased to 40 years over time. • Program originally required at least 20% of the building to include affordable units, which was increased to 40% over time.	Application open during a defined three month intake period. Fee/charge exemptions were provided to all eligible projects, with capital funding allocated on a competitive basis.	Applications and fee/charge waivers are granted at time of payment. Capital allocated at building permit.  As the MCFB allows exemptions rather than grants, the applicant is not required to pay the associated fee and be refunded through a grant as is common with CIP and TIEGs.	Annual budget has fluctuated between \$40M and \$80M over the life of the program (2016 - 2023). This represents the total estimated cost to the City, including property tax relief. Additional federal and provincial funding has also been secured by individual projects.	The program has been the most successful affordable housing incentive program in Ontario, largely due to the significant financial resources allocated to the program.  Take-up has ranked between 600 and 1,200 affordable rental units on an annual basis.	Not applicable

				approvals. However, a dedicated staff is assigned to coordinate and expedite the provision of comments and approvals.							
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Municipality	Incentive Mechanism	Housing Tenure	Geography	Incentive Amount	Eligibility Criteria	Approval Process	Timing of Incentive	Total Budget	Uptake	Upper/Lower Tier Participation
City of Toronto  Open Door Incentive Program  (NOW TERMINATED AND REPLACED WITH RENTAL HOUSING SUPPLY PROGRAM IDENTIFIED TO FOLLOW)	MCFB - approved in 2016	Rental	City-wide	In addition to the above, applicants can also apply to the capital funding stream, which had an annual budget of between \$10M-\$15M. Generally, projects must justify the amount of capital they require and propose deeper and longer affordability relative to the base eligibility criteria. This funding is allocated on a competitive basis.	<ul style="list-style-type: none"> <li>•There are income restrictions, where the gross annual income of a household cannot exceed four times the annualized monthly occupancy cost for the housing unit. It is the developer's responsibility to conduct income verification at both initial occupancy and unit turnover.</li> <li>•There are tenant selection restrictions depending on the depth of affordability (e.g., tenant comes from the City's waitlist, or the developer may select dependent on income verification).</li> </ul>	Application open during a defined three month intake period. Fee/charge exemptions were provided to all eligible projects, with capital funding allocated on a competitive basis.	Applications and fee/charge waivers are granted at time of payment. Capital allocated at building permit.  As the MCFB allows exemptions rather than grants, the applicant is not required to pay the associated fee and be refunded through a grant as is common with CIP and TIEGs.	Annual budget has fluctuated between \$40M and \$80M over the life of the program (2016 - 2023). This represents the total estimated cost to the City, including property tax relief. Additional federal and provincial funding has also been secured by individual projects.	<p>The program has been the most successful affordable housing incentive program in Ontario, largely due to the significant financial resources allocated to the program.</p> <p>Take-up has ranked between 600 and 1,200 affordable rental units on an annual basis.</p>	Not applicable

Municipality	Incentive Mechanism	Housing Tenure	Geography	Incentive Amount	Eligibility Criteria	Approval Process	Timing of Incentive	Total Budget	Uptake	Upper/Lower Tier Participation
City of Toronto  NEW - Rental Housing Supply Program (Replaced Open Door)  Four separate Streams	MCFB - approved in 2024	Rental	City-wide	Stream 1: Capital Funding Stream  •Capital funding of up to \$260,000 per Affordable Rental Home. •Actual funding amounts are subject to a competitive evaluation led by City staff, and will be identified after contributions from the Applicant, other government sources, and construction financing have been maximized.	•Community Housing Providers and Private Sector developers •Rental tenure •~80% AMR for studio and 1BR; ~100% AMR for 2+ BR. •A minimum of 20% of units must be affordable •Affordable rents maintained for at least 40 years, targeting 99 years	Application open during a defined three month intake period. Capital funding allocated on a competitive basis.  City expects affordable rents to be lower than the minimum rates for eligibility	Approval anytime, funding issued at Building Permit	\$471M received to fund incentives through the City's Housing Accelerator Fund. Unclear if additional funding and subsidy has been allocated.	First application intake is occurring Q2 2025	Not applicable

Municipality	Incentive Mechanism	Housing Tenure	Geography	Incentive Amount	Eligibility Criteria	Approval Process	Timing of Incentive	Total Budget	Uptake	Upper/Lower Tier Participation
City of Toronto  NEW - Rental Housing Supply Program (Replaced Open Door)  Four separate Streams	MCFB - approved in 2024	Rental	City-wide	Stream 2: Purpose-Built Rental Housing Incentives Stream  •Indefinite deferral of municipal development charges (for market and affordable units) •15% reduction in property tax through the new Multi-Residential Property Tax Class (for market and affordable homes) •For Affordable Rental (matching Stream 1 rental rates) exemption of development charges (municipal portion only), Community Benefit Charges, Parkland Dedication fees (cash in-lieu), Planning Application Fees, Building Permit Fees, and Residential Property Taxes (for the term of affordability)	•Non-profit and private developers •Rental tenure •~80% AMR for studio and 1BR; ~100% AMR for 2+ BR. •A minimum of 20% of units must be affordable •Affordable rents maintained for at least 40 years, targeting 99 years	Application open during a defined three month intake period. Capital funding allocated on a competitive basis.	Approval anytime, funding issued at Building Permit / at timing of fee payment	\$471M received to fund incentives through the City's Housing Accelerator Fund. Unclear if additional funding and subsidy has been allocated.	First application intake occurred in Q4 2024. The City received 75 applications to support more than 32,600 new rental homes (including more than 7,400 affordable rental homes), far exceeding expectations.  City approved 17 applications representing 7,150 new rental homes, 1,050 of which will be affordable.	Not applicable



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<p>City of Toronto</p> <p>NEW - Rental Housing Supply Program (Replaced Open Door)</p> <p>Four separate Streams</p>	<p>MCFB - approved in 2024</p>	<p>Rental</p>	<p>City-wide</p>	<p>Stream 3: Affordable Rental and Rent-Controlled Housing Incentives Stream</p> <ul style="list-style-type: none"> <li>•Exemption of development charges (municipal portion only), Community Benefit Charges, Parkland Dedication fees (cash in-lieu), Planning Application Fees, Building Permit Fees, and Residential Property Taxes (for the term of affordability).</li> </ul>	<ul style="list-style-type: none"> <li>•Non-profit and private developers</li> <li>•Rental tenure</li> <li>•150% AMR</li> <li>•A minimum of 20% of units must be affordable</li> <li>•Affordable rents maintained for at least 40 years</li> <li>•Rents may increase by no more than the Provincial Rent Increase Guideline annually</li> </ul>	<p>Application open during a defined three month intake period. Capital funding allocated on a competitive basis.</p>	<p>Approval anytime, funding issued at Building Permit / at timing of fee payment</p>	<p>\$471M received to fund incentives through the City's Housing Accelerator Fund. Unclear if additional funding and subsidy has been allocated.</p>	<p>First application intake is occurring Q2 2025</p>	<p>Not applicable</p>



Municipality	Incentive Mechanism	Housing Tenure	Geography	Incentive Amount	Eligibility Criteria	Approval Process	Timing of Incentive	Total Budget	Uptake	Upper/Lower Tier Participation
<p>City of Toronto</p> <p>NEW - Rental Housing Supply Program (Replaced Open Door)</p> <p>Four separate Streams</p>	<p>MCFB - approved in 2024</p>	<p>Rental</p>	<p>City-wide</p>	<p>Stream 4: Community Housing Pre-Development Fund</p> <ul style="list-style-type: none"> <li>•Eligible projects will be provided funding for eligible pre-development due diligence work up to a maximum of \$50,000 per affordable unit.</li> </ul>	<ul style="list-style-type: none"> <li>•Non-profit only</li> <li>•Rental tenure</li> <li>•~80% AMR for studio and 1BR; ~100% AMR for 2+ BR.</li> <li>•A minimum of 20% of units must be affordable</li> <li>•Affordable rents maintained for at least 40 years, targeting 99 years</li> </ul>		<p>This funding is provided in the form of an interest free repayable loan to ensure an ongoing, revolving fund for pre-development is available for Community Housing Providers in the city over a long-term period.</p>			

Municipality	Incentive Mechanism	Housing Tenure	Geography	Incentive Amount	Eligibility Criteria	Approval Process	Timing of Incentive	Total Budget	Uptake	Upper/Lower Tier Participation
Region of Durham  At Home Incentive Program	MCFB - approved in 2021	Rental	Region-wide	<p>Capital budget of \$10M - \$12M administered on a competitive basis to projects that score highest based on established scored criteria.</p> <p>•Capital funding issued 50% at building permit, 40% at substantial completion, and 10% at occupancy</p>	<ul style="list-style-type: none"> <li>•Non-profit and for-profit developers</li> <li>•Minimum five affordable units <ul style="list-style-type: none"> <li>•Rental tenure</li> <li>•Affordable rents maintained for 25 years</li> <li>•Below 100% AMR</li> </ul> </li> </ul> <p>Score Criteria include:</p> <ul style="list-style-type: none"> <li>-How it responds to community need</li> <li>-Depth of affordability.</li> <li>-Period of affordability.</li> <li>-Construction and operational costs</li> <li>-Opportunity for stacking with other housing incentive programs.</li> <li>-Number and percentage of units that will be affordable.</li> <li>-Access to transit, community amenities and services.</li> <li>-Energy efficiency and sustainability.</li> <li>-Accessibility, including</li> </ul>	Application open during a defined three-month intake period. Funding is allocated on a competitive basis based on application of scored criteria.	Approval anytime, funding issued at Building Permit	\$10M-\$12M in capital funding allocated annually to the program. Program expected to create ~100 units annually.	In the first two years of the program Regional Council has approved \$17.7 million in funding to help create 209 new affordable rental units in Pickering, Uxbridge, Ajax, Whitby and Oshawa.	No formal participation in the program

					barrier-free designs, elevators and other features. Timing for construction -Applicant's financial capacity, and experience with rental housing development and management.						
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Municipality	Incentive Mechanism	Housing Tenure	Geography	Incentive Amount	Eligibility Criteria	Approval Process	Timing of Incentive	Total Budget	Uptake	Upper/Lower Tier Participation
City of Peterborough  Affordable Housing Incentive Program	CIP - amended 2012	Rental	City-wide (excluding rural areas with no access to transit)	<ul style="list-style-type: none"> <li>•100% property taxes refunded in first 5 years, reducing by 20% each year following</li> <li>•Grant to offset development charges</li> <li>•Waive planning approval fees</li> </ul>	<ul style="list-style-type: none"> <li>•Non-profit and for-profit developers</li> <li>•Affordable rents maintained for 20 years inclusive of five-year phase out</li> <li>•100% AMR</li> <li>• 10% below average resale purchase price for affordable ownership</li> </ul>	First-come, first-served. Formal budget is not established, must receive council approval on every application.	Approval anytime, finding issued at Building Permit	Majority of projects have received around \$80,000 per unit. Funding amounts expected to increase due to rise in construction costs	Since 2013, a total of 419 affordable rental units have been funded or approved for funding through the program.	Not applicable
	MCFB - amended 2012		City-wide	<ul style="list-style-type: none"> <li>•Property tax exemption for up to 10 years</li> <li>•Waive development charges or offer grant equivalent through the CIP</li> </ul>	<ul style="list-style-type: none"> <li>•Non-profit and for-profit developers</li> <li>•Affordable rents maintained for 20 years inclusive of five-year phase out</li> <li>• 90% AMR</li> <li>• 10% below average resale purchase price for affordable ownership</li> </ul>					

Municipality	Incentive Mechanism	Housing Tenure	Geography	Incentive Amount	Eligibility Criteria	Approval Process	Timing of Incentive	Total Budget	Uptake	Upper/Lower Tier Participation
City of Welland  Affordable Housing CIP	CIP - approved in 2023	Rental	City-wide	<ul style="list-style-type: none"> <li>•Refund between 60%-80% of the increase in property taxes for a period of 10-years.</li> <li>•50% of the cost of studies/plans up to \$7500</li> <li>•\$20,000-\$35,000 grant per affordable dwelling unit, with an additional \$6,000 per unit for deeper affordability (60% AMR)</li> <li>•100% fees covered for planning/ building applications</li> </ul>	<ul style="list-style-type: none"> <li>•For-Profit and non-profit developers</li> <li>•Rental tenure</li> <li>•80% AMR base eligibility, deeper is required for some incentives.</li> <li>•Maintained as affordable for at least ten years.</li> <li>•Minimum of 30% of project GFA must be affordable, and a minimum of 5 units.</li> </ul>	First-come, first-served until budget expired. Approval made by the Director of Planning and Development Services	Approval anytime, finding issued at Building Permit	Funding provided through City's annual budget. Reviewed/ updated on an annual basis	186 Affordable housing units have been approved by the City as of 2025, however not all of these have received funding through this CIP.	No formal participation in the program

Municipality	Incentive Mechanism	Housing Tenure	Geography	Incentive Amount	Eligibility Criteria	Approval Process	Timing of Incentive	Total Budget	Uptake	Upper/Lower Tier Participation
City of Hamilton  Housing for Hamilton CIP	CIP - approved in 2024	Rental	City -wide	<ul style="list-style-type: none"> <li>•a Grant of \$50,000 for the creation of seven (7) or more net new Eligible Rental Units on a Site; and/or</li> <li>•a 15-year Forgivable Loan of \$25,000 per Eligible Rental Unit(s) intending to meet the affordability parameters of this Program, to a maximum of \$2,500,000 per Site.</li> </ul>	<ul style="list-style-type: none"> <li>•Market rental, stackable with the forgivable loan for rents not exceeding 100% AMR for 15 years</li> <li>• Rental tenure</li> </ul>	First-come, first-served until budget expired	Approval anytime, funding issues at Building Permit	Funding provided through City's Housing Accelerator Fund	Since launching in January 2024, the program has held three intake rounds, received 42 eligible applications, representing more than 2,500 potential units. Municipal contributions have been approved for 885 new affordable units, pending final agreements.	Not applicable

Municipality	Incentive Mechanism	Housing Tenure	Geography	Incentive Amount	Eligibility Criteria	Approval Process	Timing of Incentive	Total Budget	Uptake	Upper/Lower Tier Participation
City of London  Affordable Housing CIP	CIP - approved 2019	Rental	City-wide	<ul style="list-style-type: none"> <li>•Maximum funding amount of \$45,000 per affordable rental housing unit</li> <li>•35% forgivable loan paid to Applicant once completion of Approved work is achieved</li> <li>•Remaining 15% forgivable loan paid during occupancy stage</li> </ul>	<ul style="list-style-type: none"> <li>•New development, redevelopment, and/ or renovation with a minimum of five (5) affordable rental units</li> <li>•Must align with Housing Accelerator Fund reporting requirements</li> <li>•For-Profit and Non-Profit</li> <li>•Must remain affordable for 25 year period</li> <li>•80% AMR</li> </ul>	First-come, first-served until budget expired	Approval anytime to permits issues after 2024			
		Rental / Ownership		<ul style="list-style-type: none"> <li>•Affordable Rental Developments exempt from development charges</li> </ul>	<ul style="list-style-type: none"> <li>•No greater than 80% AMR</li> <li>•Must remain affordable for 25 years</li> <li>•Non-profit</li> </ul>		Currently not in force, awaiting proclamation			

The logo consists of the lowercase letters 'nblc' in a blue, serif typeface. The letters are closely spaced and centered within a white square. The 'n' and 'b' are connected, and the 'l' and 'c' are also connected. The 'c' has a small tail that extends to the right.

nblc

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