

# Town of Newmarket

## Housing Needs Assessment and Inclusionary Zoning

November 10, 2025

Presenters:

Ed Starr, SHS Inc.

Matt Pipe, SHS Inc.

Dalton Wudrich, SHS Inc.



# Meeting Purpose

- Provide an overview of Housing Needs Assessment findings
- Outline findings from Inclusionary Zoning assessment
- Discuss what 'affordable' means in Newmarket
- Present considerations for Inclusionary Zoning policies
- Introduce next steps regarding the Housing Action Plan.





# Housing Needs Assessment

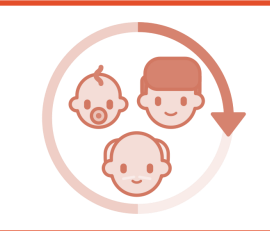


# Needs Assessment Overview – Housing Gaps Analysis

There is a need to **increase the stock of purpose-built rental housing** in the primary rental market in Newmarket.



There is a need for **affordable housing for a range of ages**, including housing options for young people looking to **form households** and older adults looking to **age-in-place**.



There is a need to **diversify the housing stock** to provide housing options for a range of household sizes, from **one-person households** to **family-sized households**.



# Housing Gap: Purpose-built rental housing

There is a need to **increase the stock of purpose-built rental** housing in the primary rental market in Newmarket.



From 2016 to 2021, **90.5%** of the total household growth was renter households (+1,470 households)



The development of rental housing has not kept up with this growth, with only **301 purpose built rental units built from 1997 to 2021**

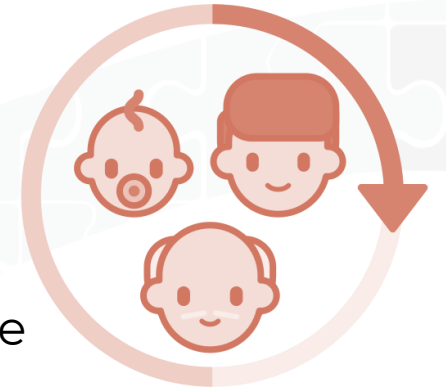


The average monthly rent for units has increased **60.7% from 2015 to 2024**, while vacancy rates were **below 1% from 2020 to 2022**



# Housing Gap: Housing for all life stages

There is a need for **affordable housing for a range of ages**, including housing options for young people looking to **form households** and older adults looking to **age-in-place**.



In 2021, households led by young adults (aged under 25 years) were the most likely household type to be **spending 50% or more** of their income on housing costs **(38.7%)**



Households led by older adults (aged 65 years and older) were the fastest growing age cohort from 2016 to 2021 **(+24.6%)**



Almost half of adults aged 65 years or older were considered low-income **(49.5%)** in 2021



# Housing Gap: Diverse housing options

There is a need to **diversify the housing stock** to provide housing options for a range of household sizes, from **one-person households** to **family-sized households**.



In 2021, households with **four- or more-persons were the most common** in the Town, but the household sizes with the highest growth, were **one- and two-person households (+8.0%)**



There has historically been a lack of **bachelor and three-bedroom units** in the primary rental market



One-person households account for the highest proportion of households in **core housing need (39.4%)** in 2021





# Defining Affordable Housing in Newmarket



# Defining Housing Affordability - Outline

Housing **affordability** needs to be thought about in terms of **what Council wants to accomplish**.

Housing that is **affordable to middle income households**, is **inexpensive** for high-income households while still well **out of reach** for low-income households.

**Affordability** should be **considered in the context of a program**, and what that program is intended to accomplish.

There are **two common ways for defining affordability**:

**Income-based  
Affordability**

**Market-based  
Affordability**



# Defining Housing Affordability – Income and Market

## Income-based Affordability

- Affordability is based on the **ability of residents to afford** rents/purchase prices.
- Data source: Census data of household incomes.
- **Moderate income is commonly defined as between the 4<sup>th</sup> and 6<sup>th</sup> deciles.**

## Market-based Affordability

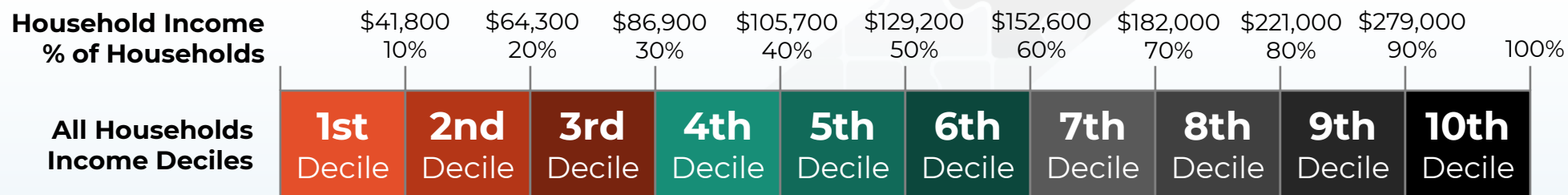
- Affordability is based on **current market rents/purchase prices.**
- Data source: Real estate sales data and market rental prices.
- **Affordable ownership is commonly 80% of average sales price.** (Slightly less expensive than the average house.)
- Rents at 80% to 100% of Average Market Rent (AMR)
  - **“Asking rents” are usually higher prices.**
  - **Rents in condo units also higher prices.**



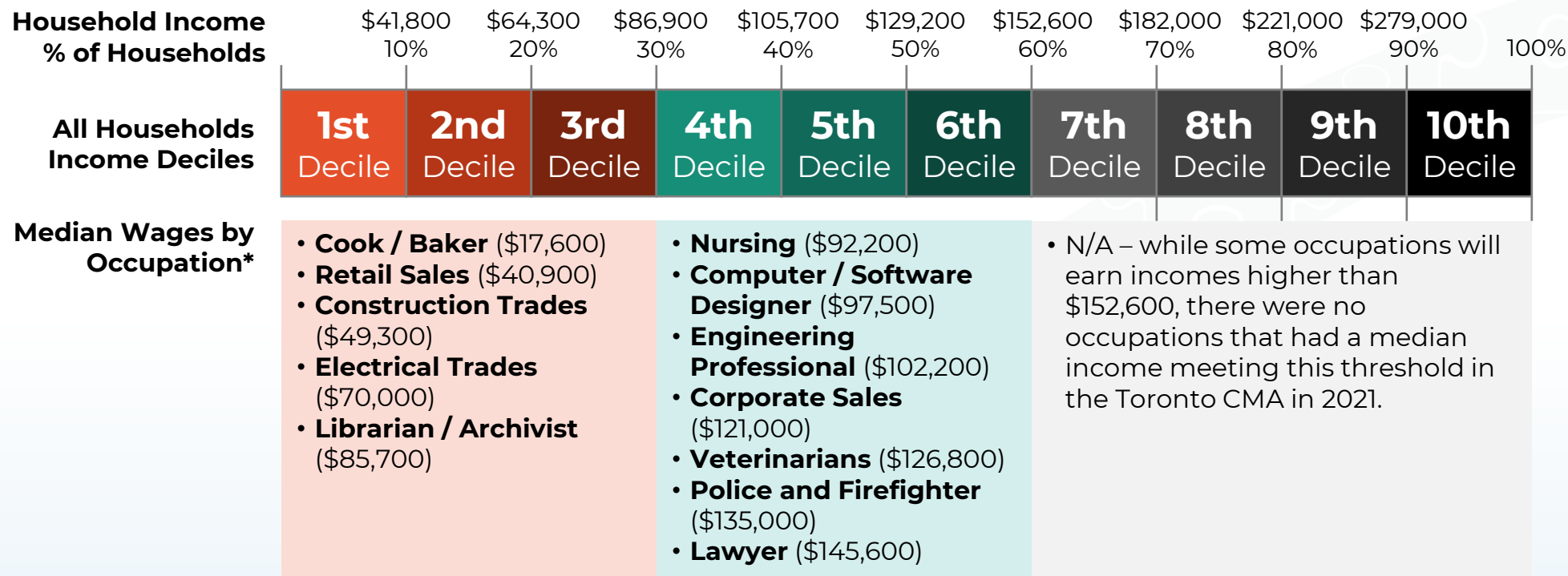
# Household Income Deciles

**Household Income Deciles** divide all households into ten equal groups based on how much money they earn. The first decile includes the 10% of households with the lowest income, while the tenth decile includes the 10% with the highest income.

This categorization helps compare income levels across a population and understand income in a simple way.



# Household Income Deciles



\* Median Wages by Occupation from Toronto CMA from 2021 Census projected to 2024 dollars by increase in Ontario Consumer Price Index (CPI) from 2020 to 2021 (+17.4%)



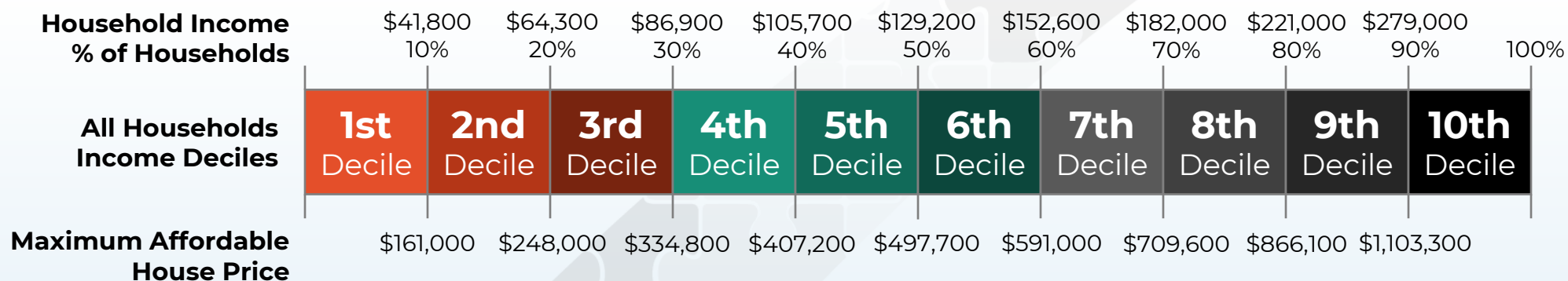
# Affordable Ownership Definitions

## Provincial Planning Statement definition:

Least expensive of:

- **90% resale** Average Purchase Price
- **Price at 30% of gross annual household income for low- and moderate-income households** (6<sup>th</sup> income decile)

## Income Definition:



# Affordable Rental Definitions - Programs

## Provincial Planning Statement definition:

Least expensive of:

- **Local Average Market Rent**
- **Rent at 30% of gross annual household income for low- and moderate-income households** (6<sup>th</sup> renter income decile)

## Market Definition:

Renter Households Income Deciles	1st Decile	2nd Decile	3rd Decile	4th Decile	5th Decile	6th Decile	7th Decile	8th Decile	9th Decile	10th Decile
<b>Maximum Rent Price</b>	\$550	\$900	\$1,220	\$1,590	\$1,970	\$2,330	\$2,810	\$3,380	\$4,430	
<b>Bachelor</b>	\$1,022		\$1,278	\$2,044						
<b>One-Bedroom</b>	\$1,702			\$2,125		\$3,404				
<b>Two-Bedroom</b>	\$1,886				\$2,358		\$3,772			
<b>Three+ Bedroom</b>	\$2,021					\$2,526		\$4,042		

- 100% AMR – Provincial Definition of Affordable
- 125% AMR – York Region Council Definition

- 200% AMR – York Region Non-Luxury Rental
- 200+% AMR – York Region Development Charges Discounted





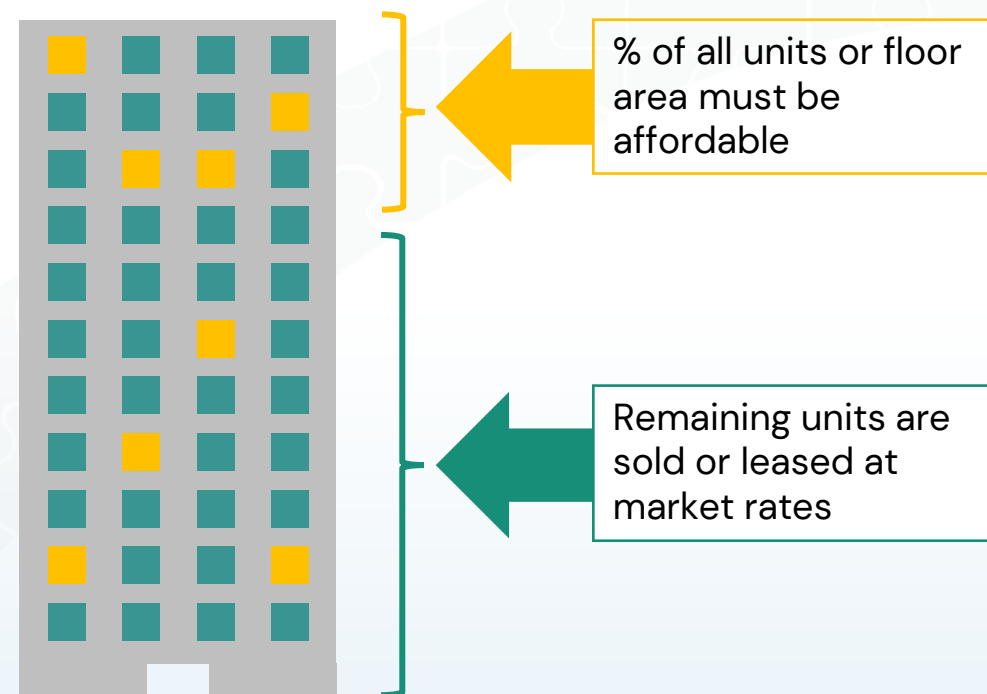
# Inclusionary Zoning



# What is Inclusionary Zoning?

- A land use planning tool that allows local governments to require the inclusion of affordable housing in new residential developments.
- The quantity of affordable housing is typically expressed as a percentage of housing units and/or residential gross floor area within the new development.

## How Inclusionary Zoning Works



# Inclusionary Zoning Q&A

- **Are the affordable units subsidized? Are they smaller?**
  - IZ requires developers to provide affordable units, in exchange for the substantial public infrastructure and transit investments in the MTSAs. No, they are not directly subsidized.
  - Unit size and mix are two aspects of the potential IZ policy. The recommendation is that the affordable units be the same as the market units.
- **Outside of the legislated maximums, what aspects of the IZ by-law are variable?**
  - The key policy aspects will be discussed further in this presentation.



# Inclusionary Zoning Q&A

- **How is the provision of IZ affordable housing monitored?**

- Either Newmarket staff, or staff at the Region will need to request annual rent rolls from the IZ unit owners - what the rent charged was. There is an agreement on file, and there are repercussions for non-compliance.
- A key consideration is whether the residents will have to come from the means-tested waitlist.
- Affordable ownership requires that the Town be party to the resale of the affordable units.



# IZ Regulation (O. Reg 232/18) and Bill 23

- The IZ regulation requires a financial impact assessment of implementing IZ on the local housing markets
- IZ policies have been limited to:
  - **5% of the total units or gross floor area,**
  - **Maximum affordability period of 25 years, and**
  - **The lowest price/rent at 80% of the average resale purchase price for ownership units or 80% of the average market rent for rental units.**



# Key Messages

- The potential impact of inclusionary zoning in Newmarket's PMTSAs requiring 5% of new units to be affordable for 25 years at 80% of market value has a **profit impact of between 0.3% and 0.4% for affordable ownership units** and **between 2.0% and 2.4% for affordable rental units**.
- Comparing these profitability impacts to the variability of other development costs and revenues, the potential IZ impact on project viability is considered small.
- **IZ policies should be considered** with a **future-oriented perspective**, due to the ongoing adjustments to the residential development environment in Newmarket and across Ontario.
- There is **little market difference between the various PMTSAs** within Newmarket
- **Construction costs exceed expectations for project revenue**; for both ownership and rental tenure projects.



# Policy Directions/Recommended IZ Framework (1/5)



## Policy Area

**Size of development**  
(minimum unit threshold)

## Recommendation

- **Minimum 40 units**, which would achieve 2 or more units with the IZ set-aside at 5%



**Locations** & areas of IZ

- **All delineated PMTSAs**, as of the date of the Housing Needs and Inclusionary Zoning Assessment report



**Eligible household incomes**

- Use the **income threshold for the 60th percentile renter household income**, commonly referred to as the “moderate income” threshold



**Housing types and sizes** of units

- **All housing types**
- The unit types (number of bedrooms) and unit sizes must be in keeping with the rest of the units in the building as a whole



# Policy Directions/Recommended IZ Framework (2/5)



**Policy Area**

**Required amount of affordable housing**

**Recommendation**

- **Affordable Housing Requirements in Ownership Buildings (Condominium):** Affordable housing set-aside in ownership buildings (condominiums) is 5%
- **Affordable Housing Requirements in Purpose-Built Rental Projects:** Affordable housing set-aside in purpose-built rental tenure buildings (purpose-built rental) is 5% of the GFA, with the condition that each purpose-built rental project may request a waiver of the IZ requirements



**Affordability Period**

- **25 years**



# Policy Directions/Recommended IZ Framework (3/5)



**Policy Area**

How **measures and incentives** are determined

**Recommendation**

- **No incentives** were provided to achieve IZ set asides, as the PMTSAs will have been “pre-zoned” to provide additional development permissions and realize IZ contributions from future developments.
- The future Housing Action Plan may explore various incentives to deepen the affordability of the IZ units.

Determination of **Price Points for Affordable Units**

- **Rental: 80% of the town-wide average market rent, by number of bedrooms, as published annually by CMHC** (approximately corresponds to approximately the 4th renter household income decile)
- **Ownership: Unit price of 80% of average resale price in Newmarket** (approximately corresponds to the 9th or 10th household income decile)



**Approach to determine sharing of net proceeds**

- **0%** of the net proceeds from any sale of an affordable unit will be distributed to the municipality.



# Policy Directions/Recommended IZ Framework (4/5)



## Offsite unit circumstances and conditions

### Recommendation

- **Offsite provision of IZ units is to be generally discouraged**
  - *Permitting IZ units in separate buildings can be beneficial but increases the complexity and risk of IZ agreements, particularly if one project faces financial or technical issues*
- **Offsite units can be allowed by Council, where:**
  - *the residents of the IZ units would benefit from being in the alternative building due to social services being offered in the building*
  - *units being more affordable due to a non-IZ mechanism, or*
  - *where the units can be occupied significantly in advance of when they would otherwise be ready for occupancy*
- Sufficient financial assurance is provided by the development that is requesting offsite IZ units that the Town would be able to build the units with the funds, should the original project fail to be built.



# Policy Directions/Recommended IZ Framework (5/5)



Policy Area	Recommendation
<p><b>Monitoring &amp; status report</b> to Council</p>	<ul style="list-style-type: none"><li>• The inclusionary zoning policy and/or by-law should include provisions for <b>monitoring the impact of the policy at least every five (5) years</b><ul style="list-style-type: none"><li>• <i>Planning Act requirement to prepare an updated IZ assessment at least every five (5) years</i></li></ul></li><li>• The inclusionary zoning regulation requires a <b>status report be provided to Council every two (2) years</b> to track performance</li></ul>





# Next Steps: Housing Action Plan



# From Needs to Actions: Housing Action Plan Objectives



**Improve Housing Outcomes**



**Addressing Needs and Barriers**



**Policy and Implementation Considerations**



# From Needs to Actions: Housing Action Plan Objectives



## Improve Housing Outcomes

- Prioritize **affordable, accessible, and diverse housing types**
- Support **consistent and equitable growth**



## Addressing Needs and Barriers

- Tackle housing **supply, demand, and security**
- Identify **municipal barriers to diverse housing types**



## Policy and Implementation Considerations

- Recommend **actions on policy, zoning, incentives, advocacy, and outreach**
- Provide a strong **policy basis for affordable and diverse housing** in the new Official Plan
- Deliver an **implementation plan with monitoring** framework



# Project Phasing

Below is a high-level project phasing timeline with milestones:

## Phase 1: **Initiation** | Q4 2025

- Kick-off meeting, workshop with Council to inform key directions
- Develop consultation strategy and vision + strategic goals

## Phase 2: **Policy Formation** | Q4 2025 - Q1 2026

- Jurisdictional scan and stakeholder consultation
- Development of Official Plan policies

## Phase 3: **HAP Strategies and Implementation Plan** | Q1 2026

- Development of strategies and implementation plan

## Phase 4: **Final Policy Framework** | Q2 2026

- Finalize Housing Action Plan, including monitoring framework and Official Plan polices

We are here



Council Workshop



Council Presentation





**Thank you!**  
**Questions?**



# Resource Slides