



**City of Kingston  
Information Report to Council  
Report Number 20-065**

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**To:** Mayor and Members of Council  
**From:** Lanie Hurdle, Chief Administrative Officer  
**Resource Staff:** Kate Lillicrap, Project Manager, Office of the CAO  
**Date of Meeting:** March 3, 2020  
**Subject:** 2019 Vacancy Rate Implications: Population, Housing and Employment

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**Council Strategic Plan Alignment:**

Theme: 2. Increase housing affordability

Goal: 2.2 Build a significant number of new residential units with a range of affordability.

**Executive Summary:**

Each year, the Canada Mortgage and Housing Corporation (CMHC) releases information on the annual rental vacancy rates for cities across the country. These rates provide insight into the relative abundance or absence of units available for rent in a given area. CMHC identifies 3% as a healthy vacancy rate, which balances housing availability/choice with demand. For the third consecutive year Canada saw a decline in its vacancy rate, ending up at 2.2%. The Kingston Census Metropolitan Area (CMA) vacancy rate was reported to be 1.9% for 2019 which was an increase from 0.6% the previous year (Exhibit A). The Kingston CMA includes the City of Kingston, Loyalist Township, Township of South Frontenac and the Township of Frontenac Islands.

[Report Number 19-065](#), presented to Council in March 2019, outlined the potential causes and implications in response to the 2018 low vacancy rate and possible actions that support increasing the vacancy rate. As a follow-up, this report is providing Council with updated 2019 vacancy rate data, rental rates and a more holistic look at the dynamics that exist between vacancy rate, population, housing and employment (following the approach taken in the [2019 Population, Housing and Employment Growth Forecast, 2016 – 2046](#)).

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The City of Kingston is growing, and at a faster rate than what was forecasted. Progress has been made in terms of improving the overall housing supply. That said, in order to ensure a continued supply of housing that offers a diversity of housing types, affordability and sustainability, it is required that there be a sustained effort across a variety of options and initiatives. With respect to the total number of housing units targeted between 2019 and 2022, the City has met approximately 32% of Council's strategic goal this year alone. In order to fulfill the total goal of 3,045 new housing units and achieve a 3% vacancy rate by 2022, the City will need to have strong subsequent years of new unit construction. It is important to note that the number of units required to achieve a vacancy rate that is in the range of 3% was based on the population projections. The actual number of units needed may be higher if the population continues to grow at a faster pace than projected.

**Recommendation:**

This report is for information only.

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**Authorizing Signatures:**

ORIGINAL SIGNED BY CHIEF  
ADMINISTRATIVE OFFICER

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**Lanie Hurdle, Chief  
Administrative Officer**

**Consultation with the following Members of the Corporate Management Team:**

Paige Agnew, Commissioner, Community Services

Peter Huigenbos, Commissioner, Business, Environment & Projects Not required

Brad Joyce, Acting Commissioner, Corporate Services Not required

Jim Keech, President & CEO, Utilities Kingston Not required

Desirée Kennedy, Chief Financial Officer & City Treasurer Not required

Sheila Kidd, Commissioner, Transportation & Public Works Not required

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**Options/Discussion:**

The information within this report presents data from the 2019 CMHC vacancy and rental rates reporting and identifies factors impacting the supply and demand of rental units building on the themes of population, housing and employment from the *2019 Population, Housing and Employment Forecast* within Kingston and the surrounding area (Kingston CMA).

Population, housing and employment are intricately linked. Without sufficient housing available to meet a variety of income levels, future population and labour-force growth in Kingston CMA will be limited. This will in turn impact the City's ability to attract new businesses and the ability for existing businesses to expand.

A look at 'Population' identifies growth and migration trends that may be impacting the demand for housing. Among the factors examined for 'Housing' are: permit issuance (building and occupancy), appeals to the Local Planning Appeal Tribunal (LPAT), projects that have yet to begin construction despite receiving planning approvals, housing sales trends and a shortage of skilled trades locally and provincially to complete the work. Among the 'Employment' factors that may be associated with a low vacancy rate are: unemployment rates, talent attraction/retention and childcare subsidy/capacity to support parents in the workforce.

**Vacancy Rates**

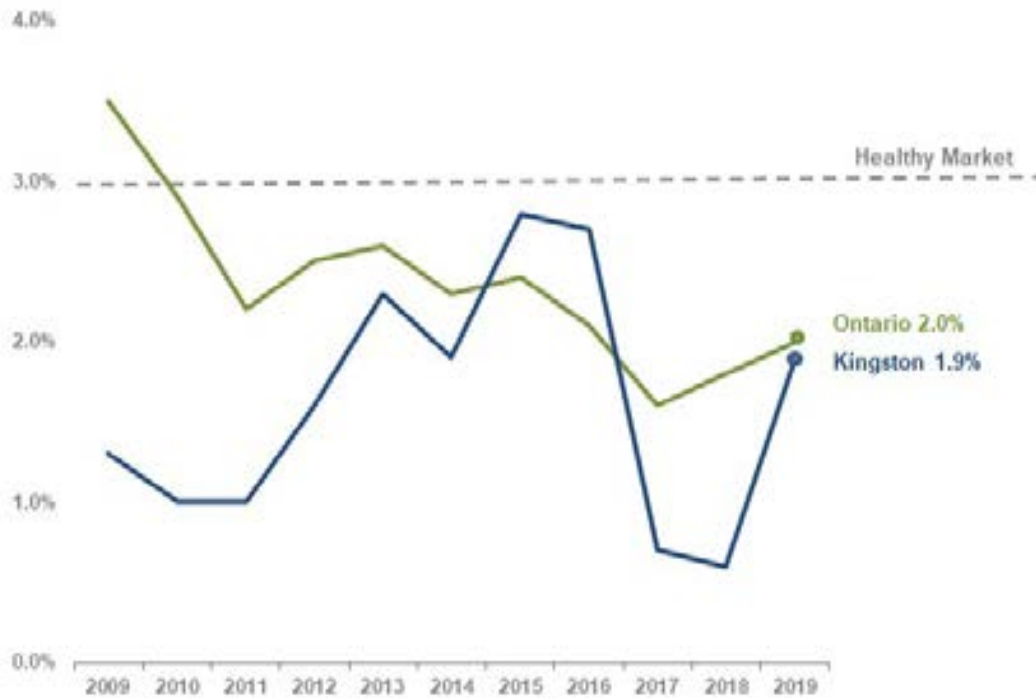
The rental vacancy rate in Kingston CMA has had its first positive change since 2016, after bouncing up from a historic low in 2018 of 0.6% to the current 1.9% (Figure 1). Kingston CMA has only surpassed the 3.0% 'healthy' vacancy rate three (3) times (in 2007, 1999 and 1998) in the last ten (10) years and was close in 2015 (2.8%) and 2016 (2.7%).

Although Kingston CMA has had slow population growth in the last decade and therefore limited pressure demand on the market, its vacancy rate has been much lower than the provincial average.

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**Figure 1 – Overall 10 Year Vacancy Rate in Kingston CMA, 2009 to 2019**



Source: Canadian Mortgage and Housing Corporation, Rental Market Survey

Exhibit A includes a map illustrating the Kingston CMA municipal boundary and four geographic zones as defined by CMHC. Zone 1 is Downtown Kingston, Zone 2 is Southwestern Kingston, Zone 3 Northern Kingston and Zone 4 the Remainder of CMA. CMHC reported a decrease in demand and unchanged supply pressures in Zones 1, 2 and 3. As a result the vacancy rate in each of the three Zones increased (Table 1). The submarket in Zone 4 told a different story. CMHC reported that the increase in Zone 4 was enough to offset the levels of decline associated with the aforementioned 3 zones (as measured by the number of occupied units).

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**Table 1 – Kingston CMA Vacancy Rate by Zone**

Zones	2013	2014	2015	2016	2017	2018	2019
Zone 1- Downtown	2.3	1.8	2.7	2.2	0.5	0.6	2.3
Zone 2- Calvin/Polson Park and Portsmouth	1.9	1.7	1.4	2.1	0.7	0.5	2.3
Zone 3- Rideau Heights, Marker's Acres, Strathcona	3.2	2.0	2.9	1.8	1.0	0.4	1.7
Zone 4- Remainder of CMA	1.4	2.4	5.1	5.2	1.0	0.8	6.9
Kingston CMA	2.3	1.9	2.8	2.6	0.7	0.6	1.9

Figure 2 illustrates how the Kingston CMA vacancy rate has climbed back up from a historic low of 0.6% to 1.9% which is very close to the provincial average of 2.0%, and is in-line with other comparable CMAs.

**Figure 2 – Overall 10 Year Vacancy Rate in Select CMAs, 2009 to 2019**



The implications of a low vacancy rate can have far-reaching effects, which is why it is important to remember that vacancy rate data is a snapshot of a segment of the primary rental market (three units or more) and does not account for other types of rental units in the market, such as secondary units. There are many elements that contribute to a 'healthy' housing market within a

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community that need to be considered when reviewing the vacancy rate. The vacancy rate only presents one part of a bigger housing landscape.

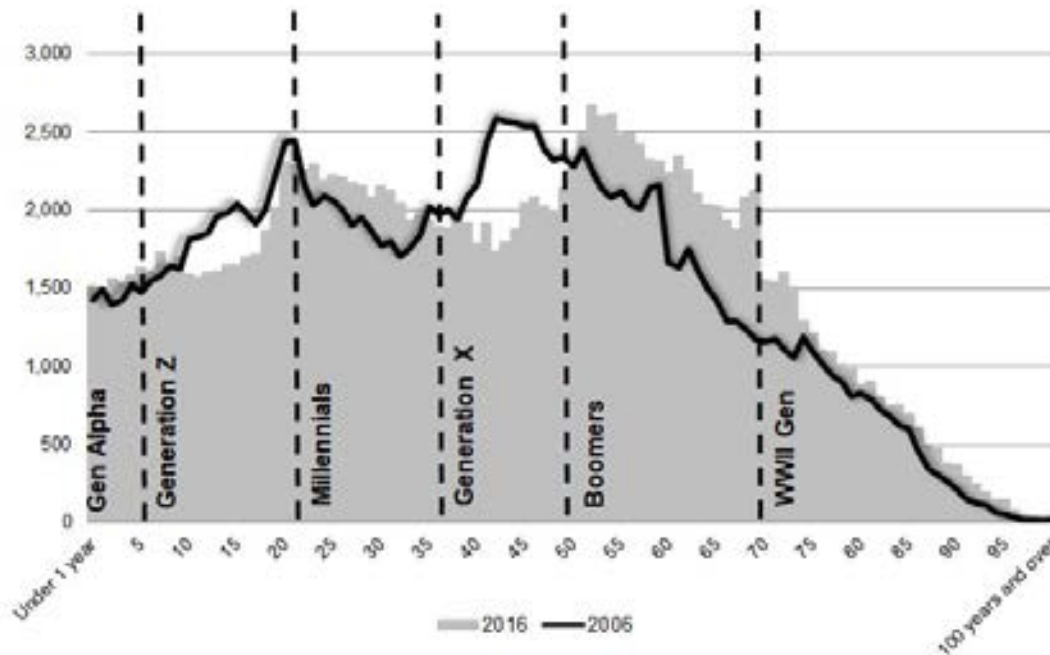
**Population**

Population growth is one such element that can be considered when trying to get a better understanding of the demands being placed on the rental market, or requirement for housing in general.

**Changing Demographics**

Within the 2016 census it was the first time in census history that Canada as a whole saw a larger distribution of seniors than children, although this has been a trend in Kingston CMA since 2011 (Figure 3). The total population of Kingston CMA grew by 1.0% from 2011 to 2016; there was larger growth in some age groups than others. The highest growth from 2011-2016 was between the ages of 65 to 74. This age group representing the baby boom generation saw an increase of 27% from 2011 to 2016, and is anticipating further increase moving forward. This change in demographics has had and continues to have an impact on the type of housing that is needed within the city.

**Figure 3 – Kingston CMA – Population by Generations, 2016 and 2006**



Source: Statistics Canada, 2006 and 2016 Census of Population

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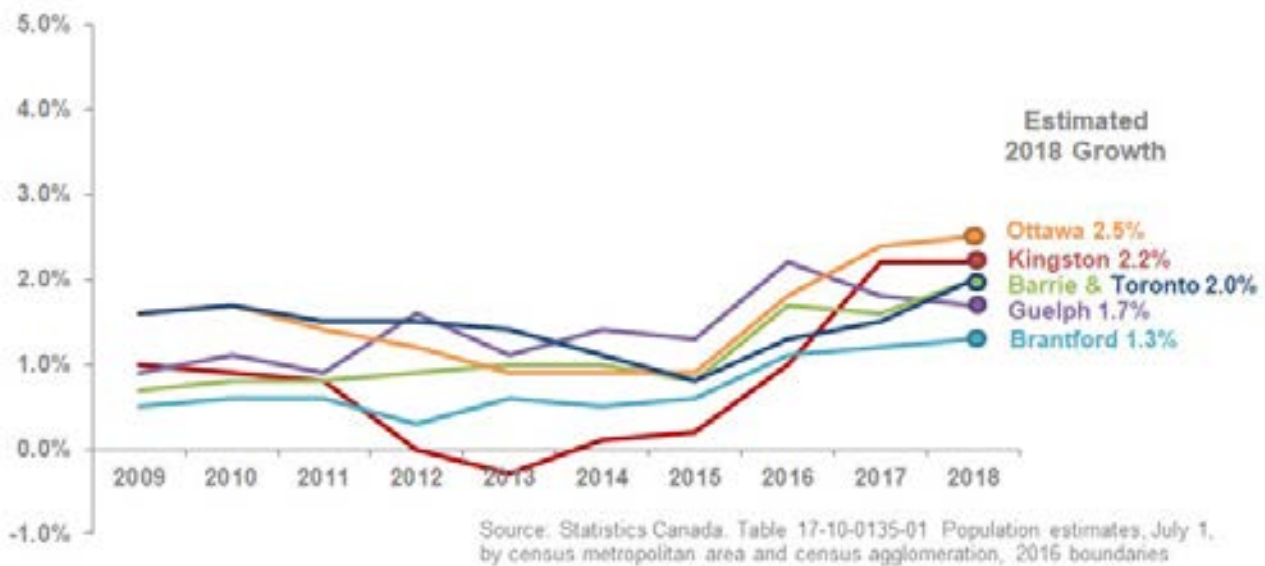
**Population Growth**

In order to get a better sense of how the Kingston CMA population growth rate may be impacting vacancy rates and the housing market as a whole, it is helpful to look at how the Kingston CMA is changing alongside other comparable CMAs. Comparable CMAs are selected based on their similar population sizes and demographics (e.g. CMAs which include post-secondary and similar types of service populations). Other communities, such as Toronto, are interesting to monitor as we could anticipate the potential trends of this large CMA to extend beyond its boundaries.

According to the *2019 Population, Housing and Employment Growth Forecast*, it is estimated that the City of Kingston will grow by approximately 30,000 new residents by 2046.

As seen in Figure 4 below, Kingston CMA has seen a larger estimated increase (2.2% in 2018) compared to the initial projected population growth from the *2019 Population, Housing and Employment Forecast* of 0.4% annually, and continues to contribute to the increased pressure on the housing market. Other components of these changes include migration, or the flow of people to and from the Kingston CMA, as well the changing demographics of households within Kingston CMA.

**Figure 4 – Estimated Population Growth in Select CMAs, 2009 to 2018**



The elements of population growth identify how this will impact the pressures on the housing market. Although Kingston CMA has experienced growth there is a significant service population that is not captured in the traditional estimates or census counts. Service population includes all those who are not permanent residents, such as seasonal workers, cottagers, military personnel temporarily posted, and post-secondary students that could potentially put pressure on City services, as well as the housing market.

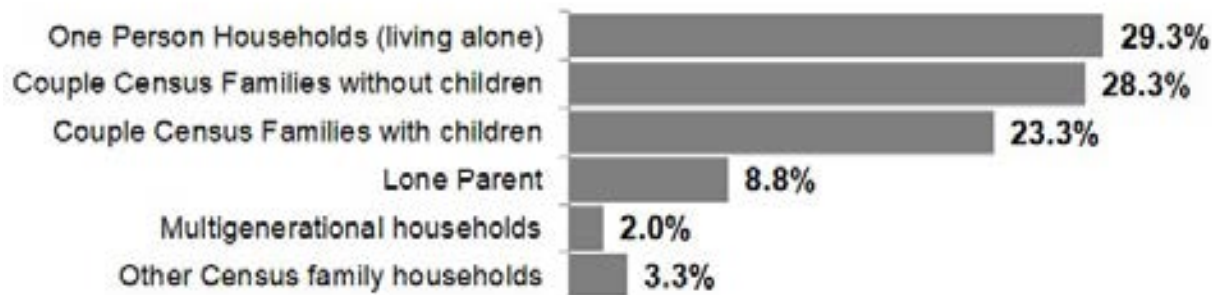


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Another trend that has been seen in Kingston and the surrounding area is an increase in the number of one-person households. This group accounts for 29.3% of all households in 2016, the highest percentage when compared to any other combination of living arrangements (Figure 5). A number of different factors could have led to the rise of one person households, such as higher separation and divorce rates, as well as the increase in the aging population and higher life expectancy as per Figure 3 in this report. This increase in one person households has changed the dynamics on the demands seen within the housing market.

**Figure 5 – Proportion of Household Type in Kingston CMA, 2016**



Source: Statistics Canada, 2016 Census of Population

## Migration

In previous years, the annual Kingston CMA CMHC report indicated that migration to the region may be putting additional pressures on the rental market. Though the 2019 CMHC report did not examine migration, a variety of other migratory sources can be evaluated.

The *2019 Population, Housing and Employment Growth Forecast* examined a 15 year period and noted that net migration in the Kingston CMA averaged approximately 3,800 persons per five-year Census period, or 760 persons per year. Between 2016 and 2046, Kingston CMA is forecasted to welcome over 800 net new migrants per year to the city.

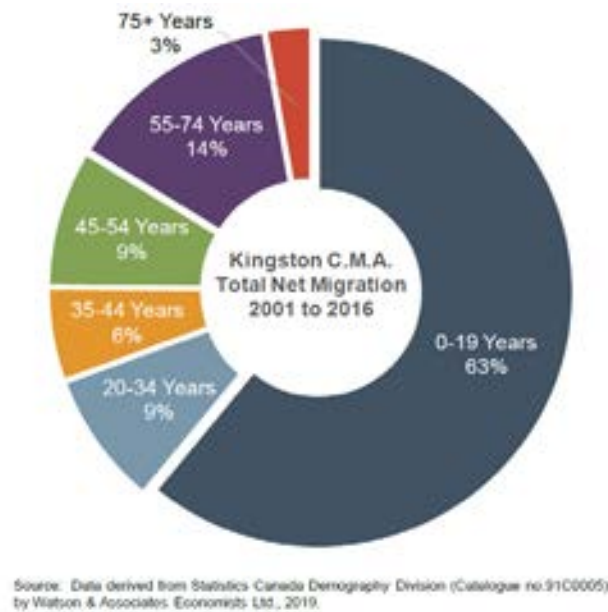
In-migration can be examined on the basis of where individuals are migrating from geographically. Population growth in Kingston CMA can be classified as either Intra-provincial (migration from within the province of Ontario), Inter-provincial (migration from other Canadian provinces/territories) and International (migration from other countries).

The share of intra-provincial net migration to the Kingston CMA declined from the 2001-2006 period (79%) to the 2011-2016 period (-131%) (Figure 6). During the same period both intra-provincial and international migration increased. Inter-provincial net migration increased from 500 to 1,300, and international migration increased slightly.

Migration may also be examined by the relative age group that individuals fall into. The largest demographic included in the increased migration includes those between the ages of 0-34 years (Figure 6).

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**Figure 6 – Kingston CMA Historical Net Migration by Major Age Group, 2001-2016**

### Post-Secondary Students

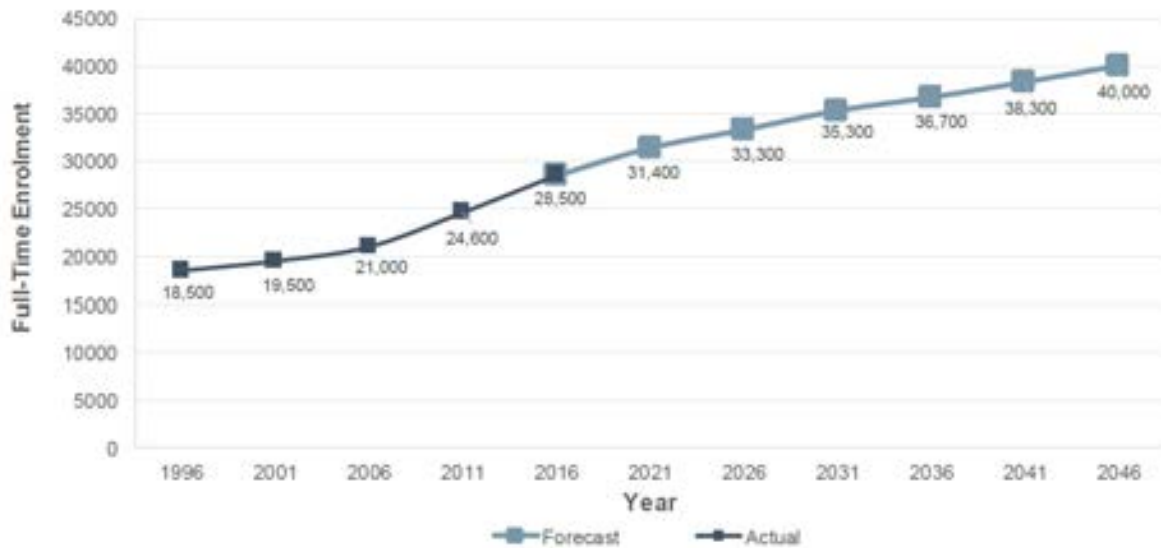
In 2016, 83% (23,600) of post-secondary students were not captured by the census as part of the permanent resident population. This service population plays an important role in supporting the vibrancy, diversity, innovation and economic strength of the City.

The *2019 Population, Housing and Employment Growth Forecast* reported that regardless of which academic institution, full-time post-secondary student enrollment is forecasted to increase by 40% between 2016 and 2041. This is a total influx of 11,500 students to the Kingston CMA region over the 25 year period (Figure 7).

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**Figure 7 – Full-time Post-Secondary Student Enrollment – Kingston CMA (2016 to 2046)**



Source: Watson & Associates Economists Ltd., 2019.  
 Note: Figures has been rounded.

Queen’s University has demonstrated an ongoing increase in enrollment. For the last three years the student population has increased by an additional 1000 students year after year (Table 2). Though not as consistent, Queen’s international student enrollment is also upwardly trending. Though not all of the University’s students reside in Kingston (there are courses offered online, distance studies and at the Bader International Institute in the United Kingdom), the 2019 *Population, Housing and Employment Growth Forecast* identified that approximately 93% of the students registered to study at Queen’s in 2019 were based in Kingston.

Over the years, Queen’s enrollment has grown in a relatively linear fashion, with the total full-time headcount averaging an annual growth rate of approximately three per cent over the past 10 years. Queen’s most recent enrollment projections (as presented to the university’s senate in March, 2019 and published in the Annual Enrollment Plan) show a planned fulltime headcount of 25,431 in 2020, and 25,720 in 2021. This represents an expected average annual growth rate of roughly one per cent from 2019 to 2021, a somewhat slower rate of growth than the past ten years. It is important to note that, as described above, not all of these students will be residents in Kingston.

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**Table 2 – Queen’s University Student Enrollment, 2017-2019**

	2017	2018	2019
International Enrollment	831	578	1,008
Total Enrollment	23,764	24,650	25,560

Source: Queen’s University Enrollment Reports 2018-2019 and 2019-2022

Similar patterns exist for St. Lawrence College enrollment. Both total and international enrollment numbers are trending upwards (Table 3).

**Table 3 – St. Lawrence College Student Enrollment, 2016-2019**

Kingston Campus	2016-2017	2017-2018	2018-2019
International Enrollment	1225	703	1148
Total Enrollment	5,315	7,219	6,889

Source: SLC Annual Reports 2016-2019

In both cases, student enrollment at these academic institutions bolsters population growth and in-migration to Kingston CMA. Though students may only be attending programs part-time, or seasonally, it is often common practice for individuals to maintain a residence within the city throughout the year. Limited on-campus residence rooms or additional residence expenses, such as meal plans, may incentivize students to rent off-campus units. It is now standard practice for a bus pass to be included in student tuition fees, which opens up the radius within which students may choose to rent.

Previous years have seen up to 71% of students requiring off-campus housing to rent during their time in Kingston. In 2016, The 2019 *Population, Housing and Employment Growth Forecast* estimated that the City’s post-secondary students not captured in the Census occupied approximately 4,050 dwelling units off-campus in 2016, 60% of which were high-density units.

### **Housing**

Some of the information within this report has been sourced from the CMHC Rental Market Report released January 2020, which summarizes data collected for the year of 2019. CMHC identifies that the rental market in Kingston is divided into two categories: the Primary Rental Market and the Secondary Rental Market. The primary rental market includes those structures with three or more rental units. The secondary rental market includes those structures with less

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than three rental units, condominiums and subsidized housing. Vacancy rate data presented in the 2019 Rental Market Report focuses solely on the primary rental market.

The *2019 Population, Housing and Employment Growth Forecast* estimated that in 2016 the total rental market in the City of Kingston totalled approximately 26,100, including 13,700 (53%) primary rental units. The 2019 CMHC report identifies that the Kingston CMA primary rental market grew to 14,024 units. This growth rate is the fastest identified in the last three years. The *2019 Population, Housing and Employment Growth Forecast* report also identifies that an additional approximately 14,000 new housing units will be required to meet 2046 population projections.

### 1. Current State of the Housing Market

CMHC has reported that the average rental rates in Kingston CMA went up by 7.9% from \$1,181 per month to \$1,237 per month. This 7.9% increase is significantly above Ontario rental guidelines of a 1.8% increase, and was the highest rate of growth observed by CMHC since the organization began collecting rental data. Table 4 provides an overview of the average market rents by unit type in the Kingston CMA.

**Table 4 – Average Rent per Unit Type**

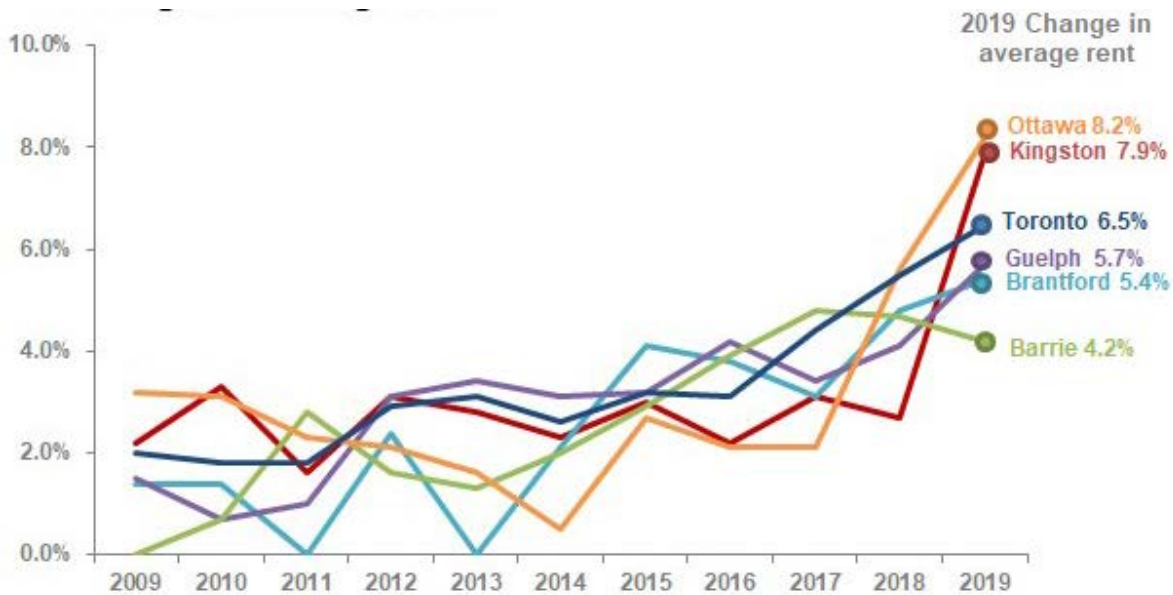
Unit Type	2013	2014	2015	2016	2017	2018	2019
<b>Bachelor</b>	\$676	\$662	\$679	\$694	\$729	\$744	\$814
<b>One Bedroom</b>	\$859	\$888	\$915	\$941	\$975	\$1,007	\$1,101
<b>Two Bedroom</b>	\$1,053	\$1,069	\$1,095	\$1,118	\$1,155	\$1,199	\$1,289
<b>Three Bedroom +</b>	\$1,417	\$1,360	\$1,406	\$1,710	\$1,612	\$1,883	\$1,805
<b>Average Rent</b>	\$997	\$1,010	\$1,033	\$1,083	\$1,109	\$1,181	\$1,237

Kingston CMA's significant jump in rental rates aligns with the increase of rental rates that occurred across Ontario in 2019 (Figure 8). The average 2019 rental rate increase across Ontario was 6.1%. The tight rental market over the last several years has most likely led to this price increase and large discrepancies in rents among different segments of the rental market.

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**Figure 8 – Percentage of Change in Average Rents in Select CMAs, 2009 to 2019**



Source: Canadian Mortgage and Housing Corporation, Rental Market Survey

### Second Residential Units

Second residential units or “secondary suites” are separate units that are located within a detached, semi-detached or row house unit, or within a detached accessory building. In June 2019, Council approved amendments to the Official Plan and implementing zoning by-laws to provide broader permissions for the creation of second residential units throughout the City.

The Ministry of Municipal Affairs and Housing has promoted the benefits of second residential units including: increasing affordable rental stock in an area, an additional revenue stream for homeowners renting units, support for growing families which require additional space for elderly parents or live-in caregivers, maximization of densities and job creation for local construction/renovation industry.

With the changes made to the zoning framework in 2019, the City saw an increase in the number of building permits issued for second residential units from 30 in 2018 to 56 in 2019. In 2019, Council identified a goal of 120 second residential units added to the market by 2022. The number of second residential units in 2019 represents 47% of this goal.

### Short Term Rental

Short term rentals (STR) may provide a homeowner/landlord with an alternative method of generating income while facilitating short-term accommodations to a renter. There can be impacts to rental rates and unit availability in instances where a landlord ceases to offer long-term rental units, opting instead to offer rental accommodations for a shorter period of time.

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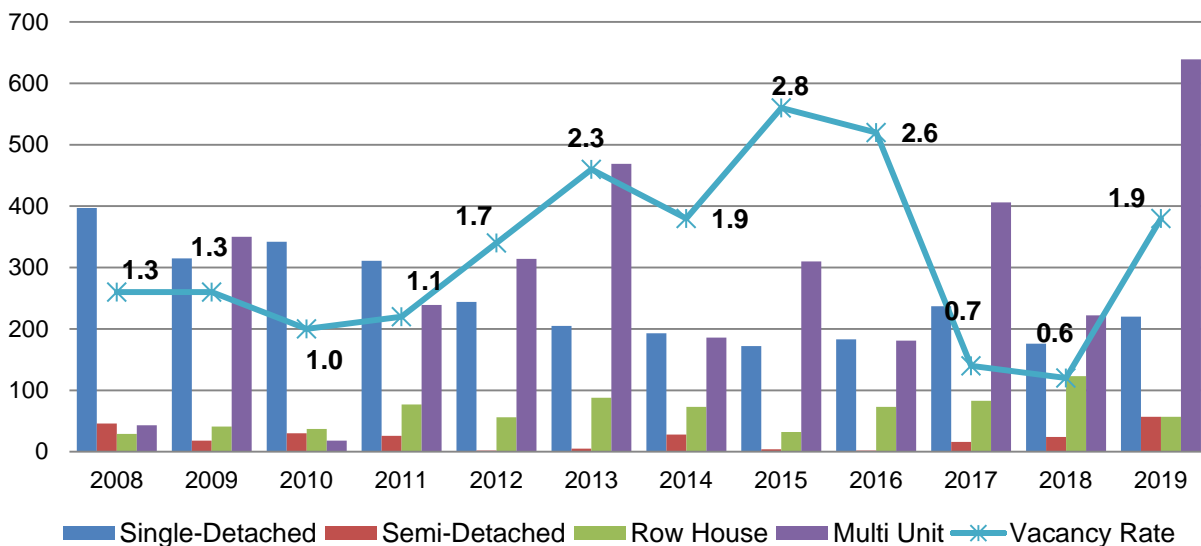
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An analysis of Kingston’s STR listings from July 2019 shows a total of five-hundred and seventy-five (575) unique rental units, heavily concentrated in the downtown core. The 575 units increased from approximately 300 units identified as STRs in 2018. Of these units, 58% (333 units) are entire homes, with 40% partial homes, and 2% unknown room types. While cross-time monitoring is required in order to determine the proportion of these which are truly Frequently Rented Entire Home (FREH) units, the 58% currently observed is roughly proportionate to the percentage of FREH units across all CMA’s in Canada, being 65% (Short-Term Rentals in Canada). Staff presented a framework for STRs at the February 13, 2020 meeting of the Administrative Policies Committee intended to create regulations for the monitoring of STRs and potential impacts upon housing supply and safety and nuisance related concerns. The report and staff recommendation related to the creation of a short-term rental licensing program were deferred until the April 2020 meeting of the Administrative Policies Committee.

## 2. Housing Supply Pipeline

In 2019, building permits were issued for 973 new residential units of which multiple unit dwellings represented approximately 65% (639 units). Over the past ten years, on average, the City has issued building permits for 591 units annually. The average annual supply of multiple unit dwellings over the past decade has increased to 298 units per year from the 256 units noted in [Report Number 19-065](#). This is largely due to the increase in building permits for multi residential units being issued in 2019. Figure 9 below illustrates the annual volume of building permits for new dwelling units by type issued since 2008 along with the vacancy rate. When additional housing supply is delayed and demand continues to increase, the vacancy rate tends to decrease. This can have a significant impact on the affordability and availability of housing choices as the City grows.

**Figure 9 – Building Permits by Type and Yearly Vacancy Rates**



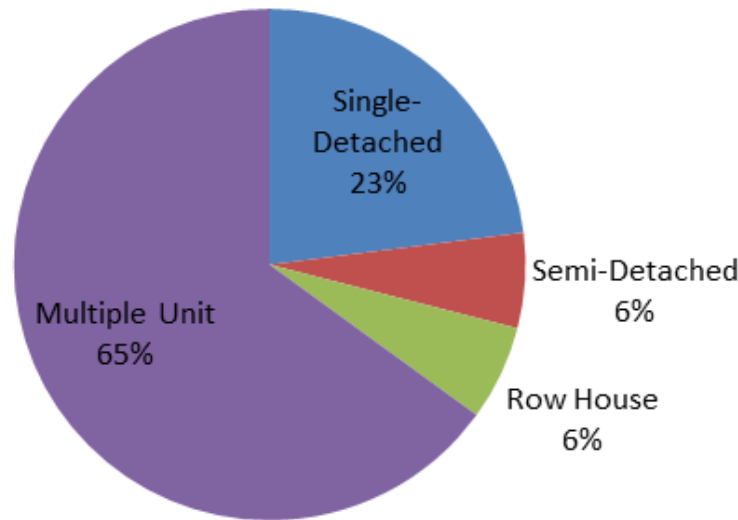
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*Data Source: City of Kingston Building & Enforcement Services Department and CMHC Rental Market Report*

Figure 10 below illustrates the proportional split by dwelling type for building permits issued within the City of Kingston in 2019.

**Figure 10 – Building Permits issued by Dwelling Type (2019)**



*Data Source: City of Kingston Building & Enforcement Services Department*

City staff undertakes a regular review of the supply of new housing proposed through the development approvals process. This review identifies the amount of housing that may eventually be added to the housing market and considers the status of approvals made under the Planning Act.

Considered in this review are “committed” units (those that are tied to either: a registered plan of subdivision, a draft approved plan of subdivision, an approved site plan application or a site plan application under review with approved zoning) and “pending units” (those that are tied to either: a plan of subdivision that has yet to receive draft approval, a zoning by-law amendment that has also yet to receive approval, or those recognized as part of a secondary plan). These factors help to identify the length of time it would take for all new housing to be absorbed in Kingston CMA, by examining the demand and supply of available new housing.

Table 5 below identifies Planning Act applications proposing residential units received as of December 31, 2019. There are a total of 4,898 ‘committed’ units and 3,676 pending units. These applications could result in 8,574 new residential units being added to the Kingston market over time.



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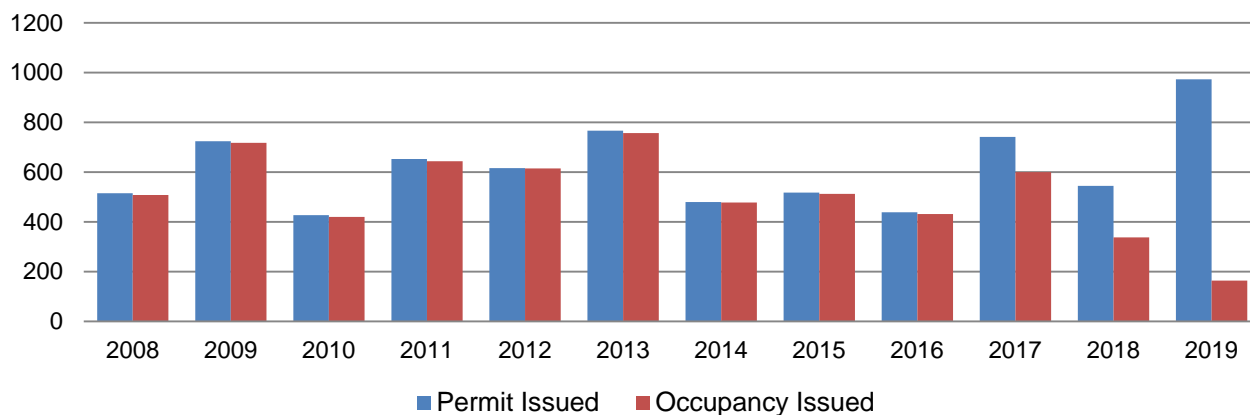
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**Table 5 – Total ‘Committed’ and ‘Pending’ units**

December 31, 2019	Multi-residential	Single Family, semi-detached, townhouse	Total
<b>Pending</b>	3,373	303	3,676
<b>Committed</b>	3,486	1,412	4,898
<b>Total</b>	6,859	1,715	<b>8,574</b>

Figure 11 below illustrates building permit issuance and occupancy permit issuance for dwelling units by year. This figure shows that residential unit occupancies were higher in previous years. This data is consistent with the 2-3 year time lag for residential units to be introduced into the rental market from commencement of construction to the receipt of final building occupancy.

**Figure 11 – Annual Building Permit Issuance and Occupancy (2008-2019)**



*Data Source: City of Kingston Building & Enforcement Services Department*

Table 6 below summarizes the status of larger multiple dwelling units that have applied for building permits, of which 971 units are currently under construction, and an additional 451 units are currently in review with permit issuance anticipated in 2020. Permit issuance of all remaining committed units is expected to follow beyond 2020, but will depend on willing applicants to seek permits and begin construction.

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**Table 6 – Pending Multiple Dwelling Unit Occupancy Permits**

Address	Number of Units	Application date	Permit Issued	Units Occupied	Units Unoccupied
845 Gardiners Road	162	10/24/2017	12/28/2017	30	132
1005 Terre Verde Way	12	06/06/2018	10/10/2018	6	6
1015 Terre Verde Way	10	06/06/2018	10/10/2018		10
1030 Old Mill Road	184	08/09/2018	10/23/2018		184
1 Curtis Crescent	15	12/27/2018	3/21/2019		15
20 Cliff Crescent	9	12/27/2018	3/21/2019		9
787 King Street West	3	01/26/2018	05/01/2019		3
501 Frontenac Street	71	01/19/2018	06/05/2019		71
9 Portsmouth Avenue	12	04/29/2019	07/08/2019		12
333 University Avenue	204	04/11/2016	10/04/2019		204
652 Princess Street	325	01/09/2019	10/17/2019		325
495 Princess Street	195	4/22/2016	Pending		195
62 Baiden Street	6	10/28/2019	Pending		6
21 Baiden Street	6	10/28/2019	Pending		6
27 Wright Crescent	40	12/20/2019	Pending		40
168 Division Street	35	12/20/2019	Pending		35

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Address	Number of Units	Application date	Permit Issued	Units Occupied	Units Unoccupied
847 Development Drive	169	12/23/2019	Pending		169
Totals	<b>1458</b>			<b>36</b>	<b>1422</b>

Table 7 summarizes the status of larger multiple unit developments that are currently pending Planning Act approvals and those that have received zoning approval.

**Table 7 – Status of Pending and Committed Multi- Residential Developments**

Address	OP / Zoning Approval	Site Plan Application	Site Plan Approval	Permit Issued	Number of Units	Occupancy Issued
<b>Multi-Unit Buildings – Pending Approval</b>						
411 Wellington Street	Pending	Pending	Pending	Pending	145	Pending
2880 Princess Street	Pending	Pending	Pending	Pending	1180	Pending
2 River Street	Pending	Pending	Pending	Pending	1506	Pending
40 Compton Street	Pending	Pending	Pending	Pending	84	Pending
223 Princess Street	Pending	December 2019	Pending	Pending	147	Pending
449 Princess Street	Pending	Pending	Pending	Pending	31	Pending
1400 Bath Road	Pending	Pending	Pending	Pending	280	Pending
<b>Total</b>					<b>3,373</b>	

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Address	OP / Zoning Approval	Site Plan Application	Site Plan Approval	Permit Issued	Number of Units	Occupancy Issued
<b>Approved Multi-Residential Developments</b> (zoning approved, no permits issued yet)						
950 Centennial	October 2017	Pending	Pending	Pending	212	Pending
1060 Old Mill Road	July 2014	Pending	Pending	Pending	184	Pending
1163 Centennial Drive [Terra Verde]	March 2015	Pending	Pending	Pending	541	Pending
2666 Princess Street & 1027 Midland	July 2018	March 2018	August 2019	August 2019	183	Pending
700 Gardiners Road [West Village]	April 2018	Pending	Pending	Pending	600	Pending
575-611 Princess Street & 510 Frontenac Street	June 2018	July 2016	Pending	Pending	371	Pending
780 Division Street	November 2010	Pending	Pending	Pending	46	Pending
495 Princess Street	OMB Order 2017	December 2014	February 2019	Pending	195	Pending
70 Barbara Avenue	November 2016	August 2017	Pending	Pending	116	Pending

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Address	OP / Zoning Approval	Site Plan Application	Site Plan Approval	Permit Issued	Number of Units	Occupancy Issued
797 King Street West	September 2018	December 2018	June 2019	Pending	12	Pending
1 Curtis Crescent	September 2018	October 2018	March 2019	Pending	30	Pending
735 Hwy 15	July 2014	Pending	Pending	Pending	240	Pending
235 Colborne	September 2019	December 2019	Pending	Pending	24	Pending
1102 King Street West	September 2007	March 2018	Pending	Pending	343	Pending
847 Development Drive	December 2019	December 2018	Pending	Pending	169	Pending
62 Baiden Street	January 2020	November 2019	Pending	Pending	16	Pending
168 Division Street	July 2019	August 2019	Pending	Pending	35	Pending
11 and 27 Wright Crescent	February 2020	June 2019	Pending	Pending	169	Pending
<b>Total</b>					<b>3,486</b>	

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### Applications at the Local Planning Appeal Tribunal

Appeals to the Local Planning Appeal Tribunal (LPAT), formerly the Ontario Municipal Board (OMB), have had an impact on the completion of some of the proposed housing projects, thereby affecting housing supply. Table 8 below highlights multiple unit development projects that are currently subject to an appeal to the Tribunal. As summarized in this Table, there are four larger scale development projects, proposing 806 dwelling units, currently associated with LPAT appeals.

It is noted that on August 9, 2019, the LPAT issued its decision regarding the applications for 51-57 Queen Street, 18 Queen Street & 282 Ontario Street (North Block). The appeal was dismissed by the Tribunal, meaning the project was not approved. In response to a “Section 35 Request for Review” of the decision by the applicant, the Tribunal rescinded its August 9, 2019 decision and has ordered a new hearing of the appeal.

It is also noted that the lands located at 501 Frontenac Street received Site Plan Control approval for the construction of a 71-unit development. In 2018, the applicant submitted a zoning by-law amendment to increase the number of units from 71 to 99. This application received Council approval in 2019, but was appealed to the LPAT. No hearing date has been set yet.

The application for 223 Princess Street for a 16-storey mixed-use building with 212 residential units was the subject of an LPAT appeal, for which a decision was issued in November 2018. Subsequently, in August of 2019, the owner was granted leave of appeal to Divisional Court. The City has since received a new application for this property for 147 residential units. Depending on the outcome of the Divisional Court process, the total number of units may change from what was originally proposed.

**Table 8 – Applications at the Local Planning Appeal Tribunal, 2019**

Project Address	Status	Units Proposed
48 Point St. Mark Drive	Hearing held in April 2019. Awaiting LPAT decision	95
51-57 Queen Street, 18 Queen Street & 282 Ontario Street	Hearing date to be determined	400
501 Frontenac Street (formerly 495-513 Frontenac Street)	Hearing date to be determined	99
223 Princess Street	Motion for leave to appeal for the LPAT decision granted by the Divisional Court.	212
<b>Total</b>		806

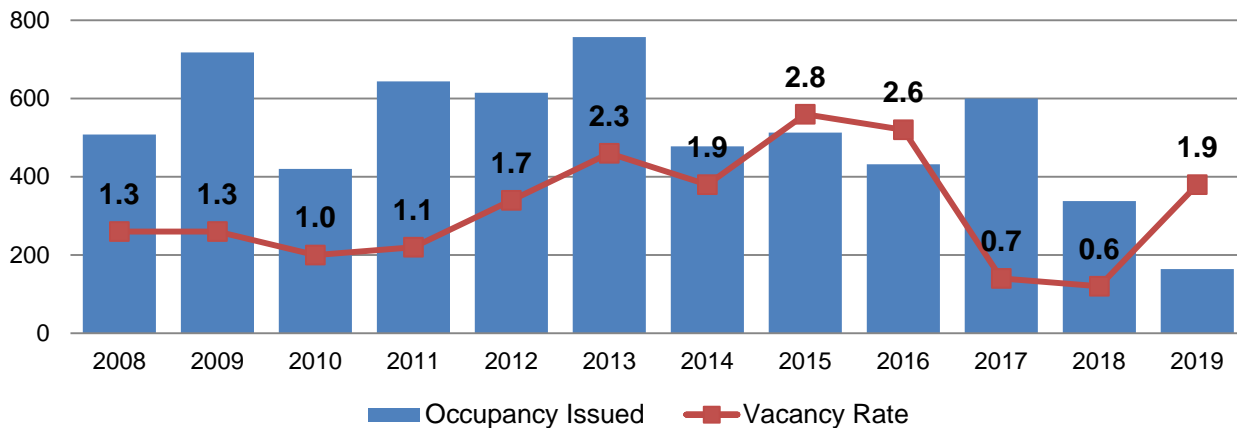
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Appeals to the Tribunal process have a tangible impact on the responsiveness of the market to the local demand for housing. When demand considerably outweighs supply, there can be an associated negative impact on the overall affordability of housing in the community.

As noted earlier, the City sees on average 298 new multiple unit dwellings added to the market annually. The number of pending dwelling units and those that are subject to hearings before the Tribunal represents a significant future supply of this form of housing.

**Figure 12 – Completed Units (City of Kingston) and Vacancy Rates (Kingston CMA), 2008-2019**



Data Source: City of Kingston Building & Enforcement Services Department and CMHC Rental Market Report

### 3. Housing Affordability

With the demand for housing outweighing the available supply in Kingston CMA there is a greater likelihood that rental rates increase. In order to ensure that rental rates remain more stable, increased housing availability across the rent spectrum is critical.

#### Core Housing Need

One way of examining affordability is “Core Housing Need”. Core housing need is a measure reported by the CMHC that incorporates three primary indicators: *affordability* (housing costing less than 30% of total before-tax household income), *adequacy* (housing not in need of major repair), and *suitability* (housing providing enough bedrooms to accommodate a household according to National Occupancy Standards requirements).

Those individuals who generate a low-to-intermediate income typically make up the population with greatest core housing need.

In the city, the largest demographic in need are older, non-senior households; more than one-third of households aged 45-64 are in need. The most significant types of households in need

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are non-family households (singles) and lone parent families. Overall, senior households are not at greatest risk, as they benefit from various pension and income security programs.

There has been an upturn in both the count and incidence of core housing need in Kingston; the proportion of households defined as in-need has increased to 14.2% overall. While suitability and adequacy of homes are a concern, the predominant problem is one of affordability (paying over 30% of before-tax income), which affects over four-fifths of households in need. The number of renters in core housing need is estimated to be approximately 7,000 households (in 2016).

### **House Sales**

A 2.3% increase in housing sales was recorded for 2019 through the Kingston and Area Real Estate Association (KAREA). This equates to a total of 3,619 units being sold over the first 11 months of the year. The average price of homes increased 8% in 2019 to an average price of \$394,083. KAREA identifies that the issue facing potential buyers is that the number of listings being seen in Kingston CMA is the lowest that has been since 1989. This scarcity generates competition among buyers, ultimately driving up the price tag of properties being sold. With fewer houses being listed and home prices increasing, there is a greater demand being placed on the rental unit market.

## **4. Next Steps for the Housing Market**

### **10 Year Municipal Housing and Homelessness Plan**

The 10 Year Housing and Homelessness Plan, mandated by the provincial government through the *Housing Services Act*, identified objectives, targets and related actions to address housing and homelessness issues.

City staff worked through a provincially-mandated midpoint review of the 10 year plan in 2019. The Housing and Homelessness Advisory Committee endorsed the update on December 17<sup>th</sup> 2019 and the update was submitted to the Ministry of Municipal Affairs and Housing for review and comments. After receipt of the Provincial comments, which is estimated to take up to 90 days, staff will submit the update to City Council for approval (spring 2020).

### **Mayor's Task Force on Housing**

The Mayor's Taskforce on Housing, established in 2019 and comprised of 12 individuals from the community representing a variety of different sectors and viewpoints, will present a practical set of recommendations to guide City Council as it makes decision to address Kingston's housing supply. These recommendations are expected to be presented to Council by the end of Q1 2020.



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### Timing Restrictions in Other Municipalities

City Staff has undertaken research to determine how other municipalities deal with imposing time limitations associated with planning approvals and servicing capacity. While City staff are currently working with Utilities Kingston to determine available capacity, with the number of approvals in the pipeline and limited knowledge of when those units will proceed to construction, staff have identified that there may be short term capacity limitations at various locations in the City that will need to be addressed to accommodate the housing supply needed to meet the 2046 projected demand.

Typically, a by-law is passed by the municipality outlining the municipality's Servicing Allocation Policy (or similar). This policy sets out the municipality's priorities for allocation of servicing capacity to approved and/or future development proposals, based on the following factors:

- Location of proposal (e.g. Preferred locations for development, ensure sustainable and orderly development, preference for infill)
- Projects that provide the greatest public benefit (e.g. Meet specific Official Plan goals, such as housing for Code groups, or to preserve a designated heritage use, or a project incorporating LEED/"green" building techniques)
- Projects that are most likely to proceed in the immediate future
- Type and status of Planning Act applications

The policies differ in terms of scope, level of detail and degree of rigidity. Much of the variability seen amongst these policies seems to come from the general availability, or degree of scarcity, of servicing capacity. Most policies state that capacity shall not be allocated automatically to any development approved under the Planning Act. They state that allocation will be done on the sole discretion of the municipality. However a requirement to obtain allocation of a sufficient amount of capacity may be imposed as a condition of approval. Some policies state that capacity shall initially be allocated to a proposed development on a provisional basis, but no allocation shall be final until the development has received final subdivision approval, or the issuance of building permits.

Proponents are often required to apply for servicing capacity separate from the Planning Act approval process. Staff and Council can then weigh the relative merits of competing applications for allocation by using a list of criteria developed to express the public interest.

Once approval is given for a servicing allocation request, many municipalities require the proponents to enter into a servicing allocation agreement acknowledging a time limitation on the approval (typically 1- 3 years with possibility of extension). Transfer of approvals, to other applicants or other lands, is generally prohibited. In many municipalities this work is administered by the Engineering, Public Works, or Planning department. Many of the municipalities researched are operating in a two tier system where the local municipality works with the Regional municipality to provide servicing.

Staff will finalize this research and present it as a part of a future report to Council.

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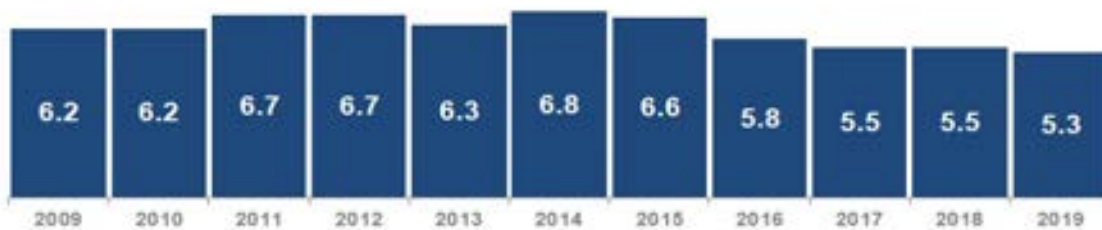
**Employment**

Second to Ottawa, Kingston CMA is the largest urban employment market in the region and is recognized for driving growth and leadership in industries such as healthcare, manufacturing and others that are knowledge-based. As outlined in the *2019 Population, Housing and Employment Growth Forecast*, it is expected that between 2016 and 2046 the employment base in Kingston CMA is due to increase from 74,800 to 85,700. This forecasted increase equates to an approximate increase of 425 jobs per year.

In order to attract and retain talent to fill these roles, in addition to sustain the Kingston CMA population levels and support the local economy, the supply of available housing must meet or surpass the demand of those looking to live and work in the city. Without available or suitable housing options, city employees may begin to commute to work from homes located outside the city. Though minimal, an additional 3% of Kingston CMA employees moved outside the city between 2001 and 2006 and began commuting from areas such as Napanee. The lack of housing availability can also impact companies and organizations with their recruitment of external talent.

As seen in Figure 13 below, the Kingston CMA unemployment rate has remained relatively stable around the 5% over the last 3 years. Within the first quarter of 2019 this rate was recorded at 4.9% and then dropped slightly over the summer months, most likely due to seasonal employment, and then climbed back above 5% by the end of the 2019. Ultimately, the unemployment rate is the lowest that it has been in the last ten (10) years.

**Figure 13 – Annual Unemployment Rate for Kingston CMA, 2009-2019**



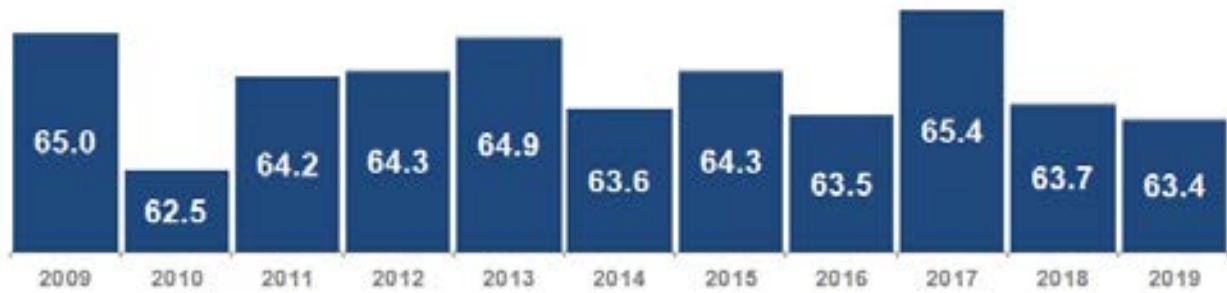
Source: Statistics Canada, Labour Force Survey - Table 14-10-0095-01 Labour force characteristics by census metropolitan area, annual

Changes in labour force participation rate should also be considered when reviewing employment trends within Kingston CMA. Participation rates measures the total labour force, or those that are working or actively looking for work, relative to the total population 15 years of age and older (working-age population). Although there has been variation over the last 10 years, with an average of approximately 64%, there has been a slight downturn in 2018 and 2019 (Figure 14). Labour force participation is an important component of economic growth and provides further insight into the unemployment rate. The unemployment rate may decline partly because of an increase in the share of working population but also because there was an overall decrease in those participating in the labour force (individuals not working or looking for work).

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**Figure 14 – Average Participation Rate within Kingston CMA, 2009 - 2019**



Source: Statistics Canada, Labour Force Survey - Table 14-10-0096-01 Labour force characteristics by census metropolitan area, annual

**Living Wage**

The “Living Wage Rate” is the hourly wage required for two parents in a family of four to cover basic expenses and participate in community life based on the costs of living in that community including rent, food, transportation, hydro, child care and other basic needs. In Kingston the living wage has risen from \$16.29 in 2011 to \$17.57 in 2019. This reflects a 7.9% increase. The increase in the Child Tax Benefit Program in 2019 tempered the increase in the living wage.

**Ontario Works Exit to Employment/Caseload**

The local Ontario Works caseload has been stable (monthly average of 2,483 clients in 2019), with declining number of clients since 2016 (average decline of 2.4% annually); the province overall has also seen a decline in caseload of approximately 1.6% annually in the same timeframe.

Figure 15 below depicts the employment outcomes achieved by social assistance clients in the City of Kingston and County of Frontenac and Provincially in 2019. Kingston surpassed provincial averages in relation to the percentage of clients with earnings, and those who exited social assistance related to gaining employment. One outcome shortfall compared to the province is the average monthly employment earnings reported per case, where across the province social assistance recipients are earning, on average, more than those in Kingston. Improving employment outcomes for clients remains a provincial Ontario Works service delivery priority for 2020.

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**Figure 15 – 2019 Employment Outcomes Achieved by Social Assistance Clients in the City of Kingston/County of Frontenac and the Province of Ontario**

2019 Employment Outcomes	Kingston/Frontenac		Province	
	Outcome	# Clients	Outcome	# Clients
% of caseload with employment earnings	19.16%	476	13.20%	31,739
Average monthly employment earnings per case	\$839.50		\$893.00	
% of terminations exiting to employment	28.74%	714	23.00%	55,303
% of caseload exiting to employment	1.81%	45	1.29%	3,102

The family composition of those on social assistance in the City of Kingston and County of Frontenac is outlined in Figure 16. The low vacancy rate creates increased pressure on the 67% of single clients receiving a maximum basic needs and shelter allowance of \$733 per month. This group of citizens is significantly impacted by the lack of affordable housing.

**Figure 16 – Family Composition of those on Social Assistance in the City of Kingston and County of Frontenac.**

Family Structure	Primary applicant	% of caseload
Singles without children	1,663	66.97%
Singles with children	662	26.66%
Couples without children	27	1.64%
Couples with children	131	7.86%

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## **Ontario Disability Support Program**

The Ontario Disability Support Program (ODSP) has an average monthly caseload that has been steadily increasing over the last couple of years; from 6,718 in 2014 to 7,625 in 2019. The majority of the increases have been with primary applicants over the age of 55. This is a reflection of the aging population in Kingston and that we may continue to see an increase in those with more complex needs, therefore an increased demand for affordable housing solutions to allow people to remain in their communities as they age.

## **Childcare Subsidy and Capacity**

Accessible, high quality child care is a fundamental part of a healthy, thriving and equitable society. There are clear benefits for children and families, but also for the broader economy at large. By actively supporting access to child care in order to increase opportunities for parents to enter/re-enter the workforce or improve their education and employable skills, the City is creating a positive climate in attracting new professionals and their families.

The City of Kingston as the service manager for Child Care and Early Years in the City of Kingston and the County of Frontenac supported approximately 600 families (800 children), with 70% accessing child care subsidy for employment or training. With approximately 4,400 licensed child care spaces throughout the city and county, there is approximately a 23% capacity to support the 19,000 children aged 0 to 12 years of age (in 2016) within a licensed child care setting.

## **Workforce and In-Migration**

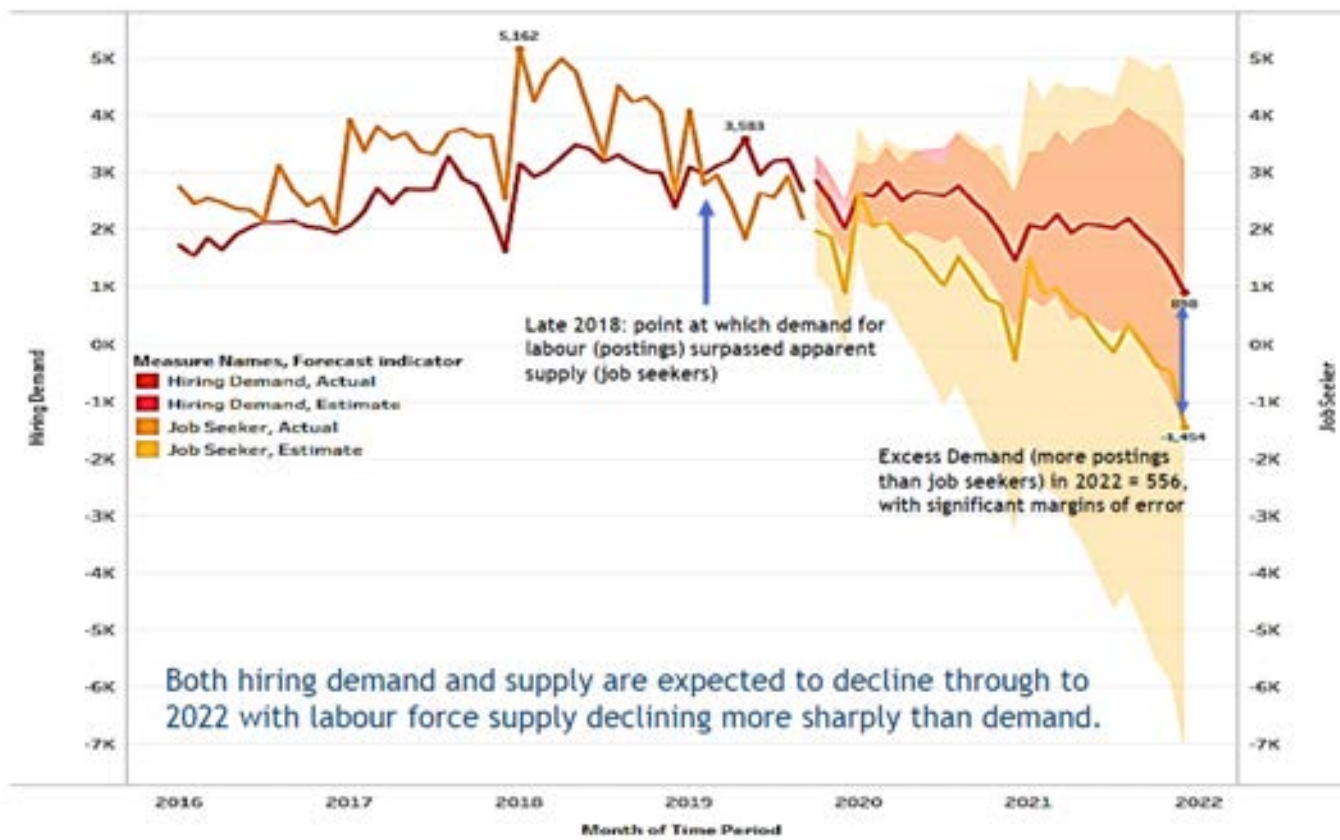
In order to be seen as an attractive option by professionals and their families, a city must be able to offer housing that meets standards such as affordability and proximity to work place. One barrier that continues to exist for Kingston CMA's attraction and retention of talent is the overall relative scarcity of market rental units.

Between 2016 and 2018, Eastern Ontario employers were seen to have an increasing demand for new hires, and job seekers were increasingly looking for employment (Figure 17). During this period the demand for jobs outweighed the supply of jobs available. In 2018, this was all changed. Employers demand for new hires decreased, as did the demand for employment by job seekers. It is forecasted that this downward trend will continue through to 2022, with labour force supply declining more sharply than demand. This discrepancy in supply and demand means that it is anticipated there will be an excess of job postings left unfilled.

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Figure 17 – Overview of Job Supply and Demand in Eastern Ontario (2016 – 2022)



Source: Eastern Ontario’s Labour Market, Eastern Ontario’s Leadership Council Economic Development, November 2019

The City of Kingston has been pro-active in developing programs to attract and retain residents. The City’s Workforce and In-Migration Strategy for example, focuses on the City’s approach to attract, develop and retain the skills required to address the anticipated needs of the labour market. The strategy is being implemented with community partners to assist in providing opportunities and supports that will encourage people to work and live in Kingston.

Through the City’s Strategy Implementation Office, a number of initiatives have been developed to implement the Workforce and In-Migration Strategy. Such initiatives include programs that provide paid internships for qualified professional newcomers as well as dedicated support services for partners relocating to Kingston. Seven working groups comprised of community leaders, employment services and human resource representatives have made significant progress on the implementation of multiple initiatives that assist in developing the workforce and increase net migration numbers in the municipality.

The City has facilitated the process of bringing community partners (private, public & not-for-profit) together to translate strategy into action. Under the direction of a community-based steering team and driven by the Office of Strategy, Innovation & Partnership, seven working

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groups with volunteers from more than 40 businesses and organizations across the community have focused their efforts on developing and executing initiatives in key areas of workforce development and talent attraction & in-migration, including strategic human resource approaches, inclusive workplace practices, labour market data analytics, employment branding, tapping into potential streams of future talent, supporting dual careers (spousal employment), and establishing pathways for launching and/or advancing careers.

In 2019, a number of new initiatives have been launched including:

- The Possible Made Here talent attraction website to support job seekers, workers, and employers through the use of artificial intelligence and data analytics to increase in-migration to Kingston. This website can also be used by residents of Kingston.
- The Workplace Inclusion Charter supports employers in assessing their organization, provides resources to advance diversity & inclusion in the workplace and recognizes achievement.
- The Kingston Connects application- a community-wide nomination program for emerging mid-level talent.
- The Dual Career concierge support service geared to the spouses/partners of new hires being recruited to and arriving in Kingston.
- The Community Secondment Program aimed at allowing employees to diversify their experience and facilitate their continued professional growth through cross organization secondments with 8 Kingston employers.

### **New Business Creation**

Of the forecasted 12,800 job increase to take place between 2016 and 2046, 22% of employment is expected to be those working from home or with no fixed place of work. In fact this group is anticipated to grow faster than any other form of employment.

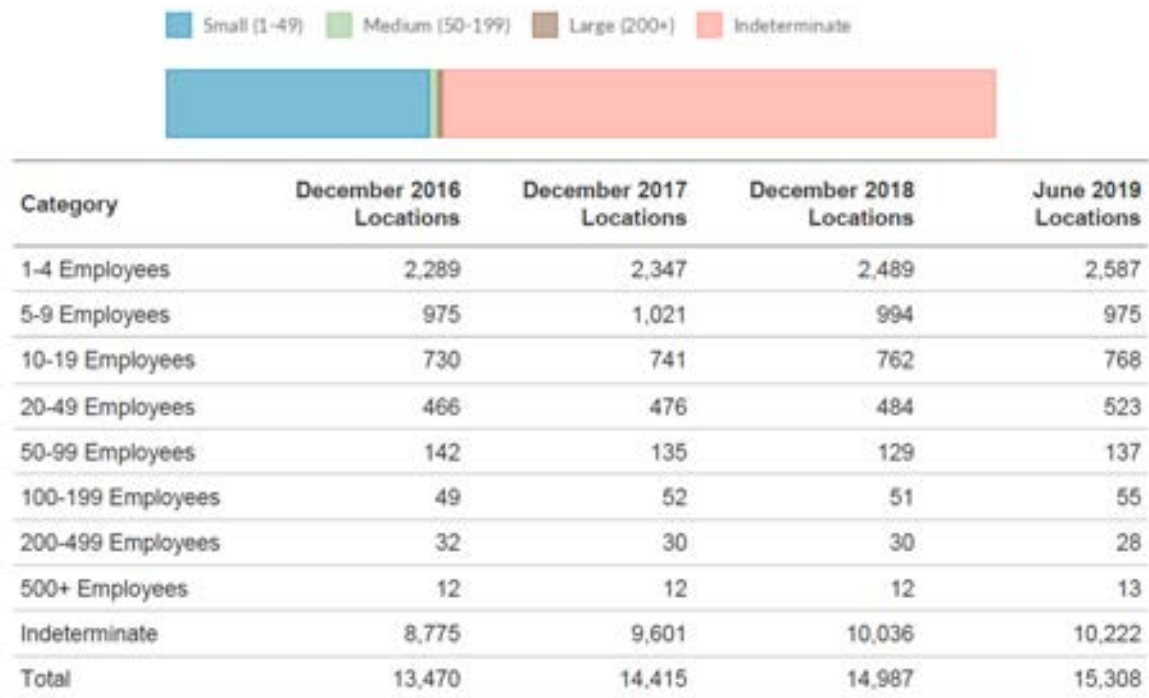
This forecast aligns with data collected between 2016 and 2019 on the number of new businesses being created. Figure 18 shows that the largest and fastest growing type of businesses were the 'Indeterminate' sector. This group is characterized by those professionals working at home or no fixed workplace and may include professions such as hairdressers or others who do not charge HST.

With an increase in home-based employment, it may be expected that access to housing will become increasingly important to individuals using this space as not just a residence, but also a workplace.

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**Figure 18 – New Business Creation, Kingston, 2016-2019**



Source: *Economy Overview: Kingston, KEDCO, OMAFRA | Economic Modeling Specialists International, Q3 October 2019*

**Existing Policy/By-Law:**

None

**Notice Provisions:**

None

**Accessibility Considerations:**

None

**Financial Considerations:**

None

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Cheryl Hitchen, Manager, Social Policy & Strategic Community Development, Housing & Social Services

Kate Lillicrap, Project Manager, CAO's Office

Laura Rabbie, Manager, Social Services, Housing & Social Services

**Exhibits Attached:**

Exhibit A - 2019 Canada Mortgage and Housing Corporation Rental Market Report: Kingston CMA.

HOUSING MARKET INFORMATION

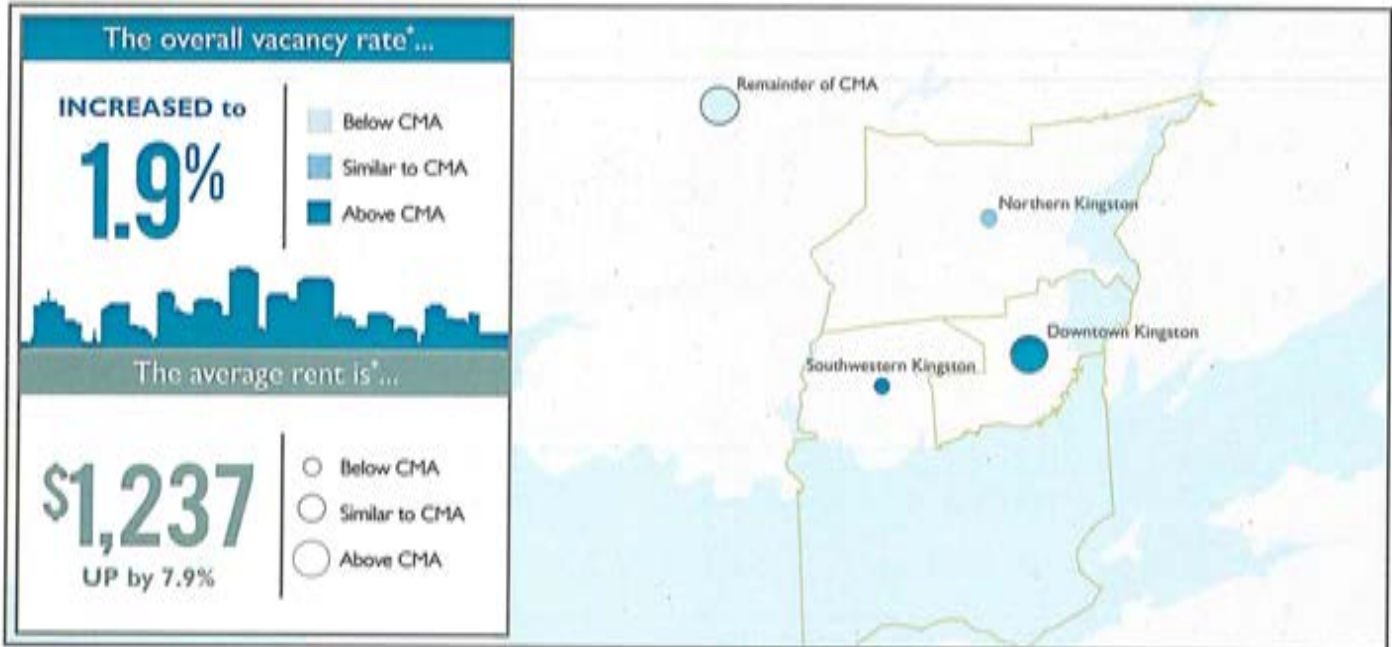
# RENTAL MARKET REPORT

## Kingston CMA



CANADA MORTGAGE AND HOUSING CORPORATION

Date Released: 2020



PRIMARY RENTAL MARKET (by bedroom type)			
Bachelor	One bedroom	Two bedroom	Three or more bedrooms
1.4%	2.1%	1.9%	**%
<b>Vacancy Rate</b>	<b>Vacancy Rate</b>	<b>Vacancy Rate</b>	<b>Vacancy Rate</b>
\$814 Avg. Rent	\$1,101 Avg. Rent	\$1,289 Avg. Rent	\$1,805 Avg. Rent

**"New rental supply exerted an upward pressure on vacancy rate. The number of vacant units more than tripled compared to 2018."**

**Olga Golozub**  
Senior Analyst, Economics

\*CMHC collects data on the primary and secondary rental market annually, in the fall. These data refer to the primary rental market, which only includes rental units in privately-initiated apartment structures containing at least three rental units. The secondary rental market covers rental dwellings that were not originally purpose-built for the rental market, including rental condominiums. The primary vacancy rate and rent level is based on all surveyed structures, while the rent increase is based only on structures common to the survey sample in both the current and previous year.  
 \*\*The data is suppressed.

## Key analysis findings

- The rental apartment vacancy rate moved higher due to robust growth in rental supply.
- Demand for rental accommodations held steady and strong.
- Both, supply and demand growth was almost exclusively concentrated in Zone 4 – Remainder of CMA.

## Higher vacancy rate

According to the results of the Rental Market Survey<sup>1</sup> (RMS) conducted in October 2019, the purpose-built rental apartment vacancy rate in the Kingston Census Metropolitan Area (CMA) increased to 1.9%. It was the first increase in five years, after the vacancy rate had reached a 29-year low of 0.6% in 2018. This year's increase in vacancy rate was due to robust growth in rental supply, providing renters with more choice. At 1.9%, the vacancy rate was slightly higher than the 10-year average of 1.7%.

## New rental supply brought more balance to the market

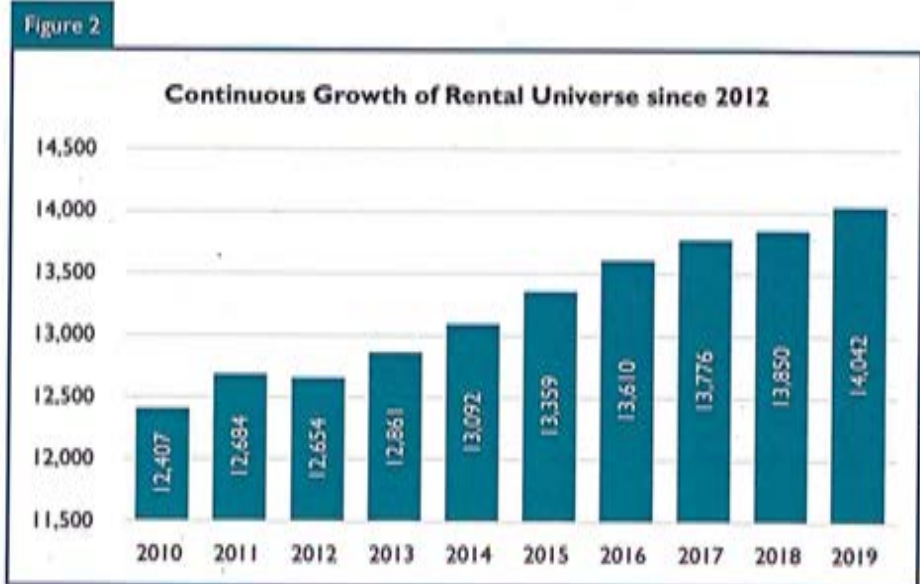
CMHC's primary rental market universe, which accounts for demolitions, renovations and conversions of existing stock, but excludes seniors and student residences, grew by 192 units or 1.4%, the fastest rate of growth in the last three years. This strong growth brought more balance to the market, alleviating some of the downward pressure on vacancy rates seen in the last few years. The number of vacant units more than tripled, generating the softest market conditions in the last three years.

Nearly all of the increase was concentrated in only one of the CMA's submarket, Zone 4 – Remainder of CMA. It should be noted that after the 2019 Rental Market Survey cut-off date<sup>2</sup>, almost 300 new purpose-built

rental apartment units were completed prior to October (which will be reflected in the 2020 universe), potentially adding to the upward pressure on this year's vacancy rates.



Source: CMHC, Rental Market Survey 2010-2019



Source: CMHC, Rental Market Survey 2010-2019

<sup>1</sup> The survey is based on privately initiated rental apartment structures of three or more units.

<sup>2</sup> Total rental completions are tallied over the 12 months ending June 30, 2019, which marks the cut-off date for the Rental Market Survey.

<sup>3</sup> International student enrolment information at Queen's University could be found on page 4 of the "Short-term Enrolment Projections" report for 2019-2022 at the following link: [http://www.queensu.ca/registrar/sites/webpublish.queensu.ca.uregwww/files/files/EnrPlan\\_2019\\_2022.pdf](http://www.queensu.ca/registrar/sites/webpublish.queensu.ca.uregwww/files/files/EnrPlan_2019_2022.pdf).



### Demand for rental accommodations remained stable and strong

The vacancy rate increased across all Kingston submarkets albeit for different reasons. Greater softening of rental market conditions occurred in the three zones, Zone 1 - Downtown, Zone 2 - Southwestern Kingston and Zone 3 - Northern Kingston. In all of the aforementioned three zones, demand for rental accommodations declined, while supply remained virtually unchanged compared to 2018, raising the vacancy rate to 2.3% in Zones 1 and 2 and to 1.7% in Zone 3.

The only submarket in the CMA where demand increased was Zone 4 - Remainder of CMA. Demand in this zone, as estimated by the number of occupied units, increased strongly by 6.9%, fully offsetting the decline in demand in the three other zones.

Since growth in both, new rental supply and demand was almost exclusively concentrated in Zone 4, it seems that these newer units were attractive to tenants. Possibly some tenants vacated their units in Zones 1, 2 or 3, (consequently lowering demand there) and relocated to Zone 4 in search for newer rental units. Alternatively, in some instances, international students studying at Queen's University or St. Lawrence College could have absorbed some of these newer units. According to the Queen's Enrolment Projections Report for 2019-2022<sup>3</sup>, in the first three months of 2019, first-year visa student applications for 2019-2020 increased by 5.9% over the same period a year ago.

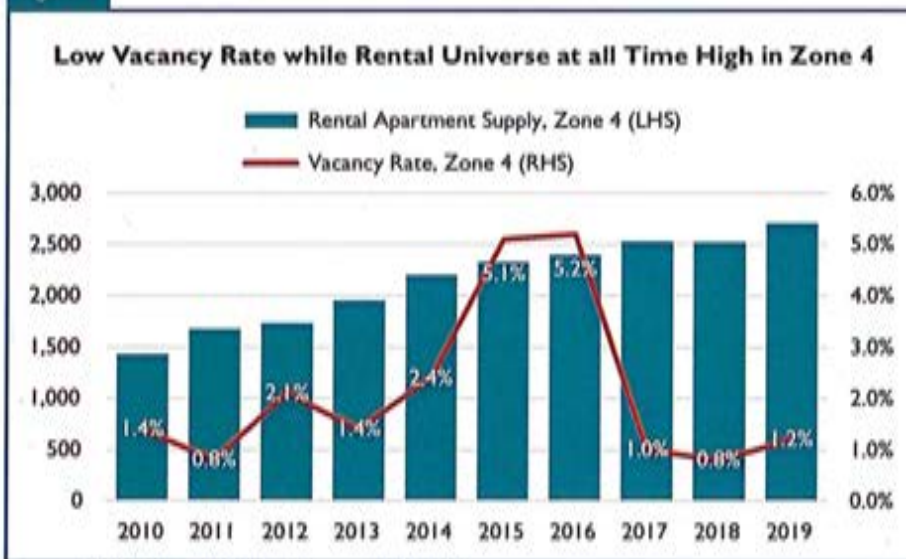
Overall, demand for rental accommodations in Kingston CMA has seen no change in 2019, has remained strong, but experienced some compositional variation among the submarkets as described above.

### Strong rent growth

The average fixed sample rent for all bedroom types in Kingston CMA increased by 7.9% between 2018 and 2019, which is significantly above the 2019 Ontario rent guideline of 1.8%. The 7.9% increase was the highest rate of growth since we started collecting rent data.

At 17.4%, the overall turnover rate in Kingston CMA was the fourth highest in Ontario after Sudbury, London and Ottawa. Since rent controls do not apply at turnover, it is most likely that all new tenants and tenants who moved units during 2019 faced higher rents than those who remained put. It should be noted, that in October 2019 the overall asking rent<sup>4</sup> for vacant units was not statistically higher than for occupied units, implying that significant rent increases occurred prior to the month of October.

Figure 3

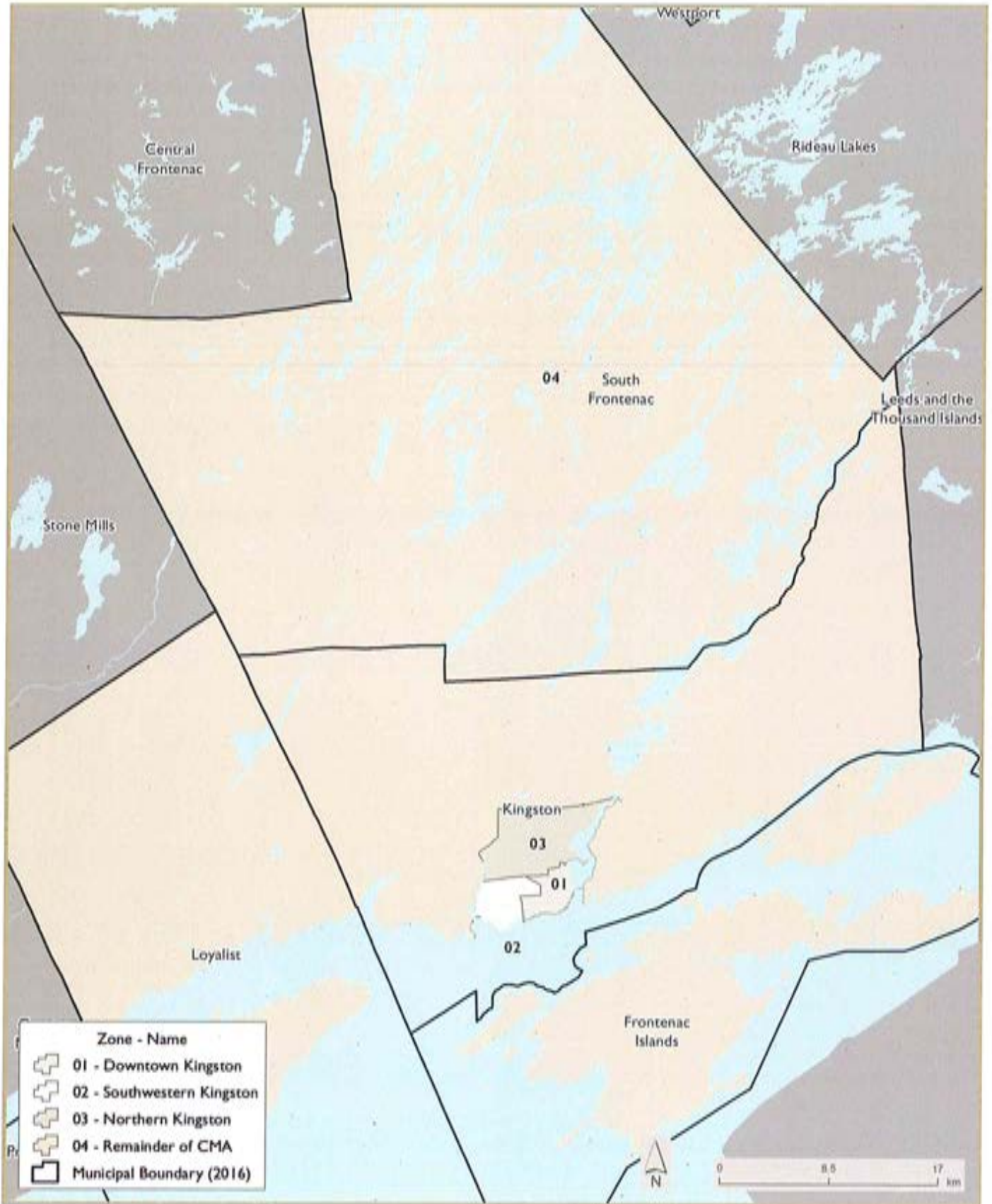


Source: CMHC, Rental Market Survey, 2010-2019

<sup>4</sup> The spreadsheet with average rents for vacant and occupied units for all Canadian CMAs is available on CMHC website at: <https://www.cmhc-schl.gc.ca/en/data-and-research/data-tables/average-apartment-rents-vacant-occupied>.

### RESOURCES

You can find this data – and data for all provinces and census metropolitan areas (CMAs) in Canada – at [cmhc.ca/rental-market-report-data](http://cmhc.ca/rental-market-report-data).





RMS ZONE DESCRIPTIONS - KINGSTON CMA	
Zone 1	<b>Downtown Kingston</b> - Southern and Eastern boundaries determined by Lake Ontario and the Cataraqui River respectively. Western boundary determined by the following streets: Sir John A Macdonald, Albert, Princess, Division and Montreal. Northern boundary determined by the following streets: Concession, Joseph and Railway.
Zone 2	<b>Southwestern Kingston City</b> - Southern and Western boundaries determined by Lake Ontario and the Little Cataraqui River respectively. Eastern boundary abuts Zone 1.
Zone 3	<b>Northern Kingston City</b> - Southern boundary determined by Zones 1 and 2. Eastern, Northern and Western boundaries determined by Kingston's former city limits.
Zone 4	<b>Rest of Kingston CMA</b>
Zones 1-4	<b>Kingston CMA</b>

## TECHNICAL NOTE:

*Difference between Percentage Change of Average Rents (Existing and New Structures) AND Percentage Change of Average Rents from Fixed Sample (Existing Structures Only):*

**Percentage Change of Average Rents (New and Existing Structures):** The increase/decrease obtained from the calculation of percentage change of average rents between two years (example: \$500 in the previous year vs. \$550 in current survey represents an increase of 10 percent) is impacted by changes in the composition of the rental universe (e.g. the inclusion of newly built luxury rental buildings in the survey, rental units renovated/upgraded or changing tenants could put upward pressure on average rents in comparison to the previous year) as well as by the rent level movement (e.g. increase/decrease in the level of rents that landlords charge their tenants).

**Percentage Change of Average Rents from Fixed Sample (Existing Structures Only):** This is a measure that estimates the rent level movement. The estimate is based on structures that were common to the survey sample for both the previous year and the current Rental Market Surveys. However, some composition effects still remain e.g. rental units renovated/upgraded or changing tenants because the survey does not collect data to such level of details.

## METHODOLOGY FOR RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts the **Rental Market Survey (RMS)** every year in October to estimate the relative strengths in the rental market. The survey is conducted on a sample basis in all urban areas with populations of 10,000 and more. The survey targets only privately initiated rental structures with at least three rental units, which have been on the market for at least three months. The survey collects market rent levels, turnover and vacancy unit data for all sampled structures.

The survey is conducted by a combination of telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent. The survey is conducted during the month of October, and the results reflect market conditions at that time.

CMHC is constantly reviewing the Universe of rental structures in the rental market Universe to ensure that it is as complete as possible. Every year, any newly completed rental structures with at least 3 rental units are added to the Universe. In addition to this, CMHC undertakes comprehensive reviews by comparing the Universe listing to other sources of data to ensure that the list of structures is as complete as possible.

CMHC's Rental Market Survey provides a snapshot of vacancy and turnover rates and average rents in both new and existing structures. There also exists a measure for the change in rent that is calculated based on existing structures only. The estimate is based on structures that were common to the survey sample for both the previous and the current Rental Market Surveys. The change in rent in existing structures is an estimate of the change in rent that the landlords charge and removes compositional effects on the rent level movement due to new buildings, conversions, and survey sample rotation. The estimate of percent change in rent is available in all Canada and Provincial Highlights publications, and also in the CMA reports. The rent levels in new and existing structures are also published. While the percent change in rents in existing structures published in the reports are statistically significant, changes in rents that one might calculate based on rent levels in new and existing structures may or may not be statistically significant.

## METHODOLOGY FOR CONDOMINIUM APARTMENT SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts the Condominium Apartment Survey (CAS) in September to estimate the relative strengths in the condo apartment rental market. The CAS collects the number of units being rented out and the vacancy and rent levels of these units in the following CMAs: Calgary, Edmonton, Gatineau, Halifax, Hamilton, Kelowna, Kitchener, London, Montréal, Ottawa, Québec, Regina, Saskatoon, Toronto, Vancouver, Victoria and Winnipeg. The CAS is a census of all apartment condos with 3 units and over, with the exception of Montréal, where a sample of structures is surveyed. The CAS is conducted by telephone interviews and information is obtained from the property management company, condominium (strata) board, or building superintendent. If necessary, this data can be supplemented by site visits if no telephone contact is made.



## RENTAL MARKET SURVEY (RMS) AND CONDOMINIUM APARTMENT SURVEY (CAS) DATA RELIABILITY

CMHC does not publish an estimate (e.g. Vacancy Rates and Average Rents) if the reliability of the estimate is too low or the confidentiality rules are violated. The ability to publish an estimate is generally determined by its statistical reliability, which is measured using the coefficient of variation (CV). CV of an estimate is defined as the ratio of the standard deviation to the estimate and CV is generally expressed a percentage. For example, let the average rent for one bedroom apartments in a given CMA be  $\bar{x}$  and its standard deviation be  $\sigma_x$ . Then the Coefficient of Variation is given by  $CV = \frac{\sigma_x}{\bar{x}}$ .

### Reliability Codes for Proportions

CMHC uses CV, sampling fraction and universe size to determine the ability to publish proportions such as vacancy rates, availability rates and turnover rates. The following letter codes are used to indicate the level of reliability of proportions:

- a — Excellent
- b — Very good
- c — Good
- d — Fair (Use with Caution)
- \*\* — Poor — Suppressed
- ++ — Change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0).
- No units exist in the universe for this category
- n/a — Not applicable

The following two tables indicate the level of reliability of proportions:

If the proportion is Zero (0) and sampling fraction is less than 100% then the following levels are assigned:

#### Sampling Fraction (%) range

Structures in Universe	(0,20]*	(20,40]	(40,60]	(60,80]	(80,100]
3 – 10	Poor	Poor	Poor	Poor	Poor
11 – 20	Poor	Fair	Fair	Fair	Good
21 – 40	Poor	Fair	Fair	Good	Very Good
41 – 80	Poor	Fair	Good	Good	Very Good
81+	Poor	Good	Good	Very Good	Very Good

\*(0, 20] means sampling fraction is greater than 0% but less than or equal to 20%; others are similar.

Otherwise, the following table is used to determine the reliability level of proportions:

#### Coefficient of Variation (CV) %

Vacancy Rate	0	(0,5]	(5,10]	(10,16.5]	(16.5,33.3]	(33.3,50]	50+
(0,0.75]	Excellent	Excellent	Excellent	Excellent	Excellent	V. Good	V. Good
(0.75,1.5]	Excellent	Excellent	Excellent	Excellent	Excellent	Fair	Poor
(1.5,3]	Excellent	Excellent	Excellent	V. Good	Good	Poor	Poor
(3,6]	Excellent	Excellent	V. Good	Good	Fair	Poor	Poor
(6,10]	Excellent	Excellent	V. Good	Good	Poor	Poor	Poor
(10,15]	Excellent	Excellent	Good	Fair	Poor	Poor	Poor
(15,30]	Excellent	Excellent	Fair	Poor	Poor	Poor	Poor
(30,100]	Excellent	Excellent	Poor	Poor	Poor	Poor	Poor

### Reliability Codes for Averages and Totals

CMHC uses the CV to determine the reliability level of the estimates of average rents and a CV cut-off of 10% for publication of totals and averages. It is felt that this level of reliability best balances the need for high quality data and not publishing unreliable data. CMHC assigns a level of reliability as follows (CV's are given in percentages):

- a — If the CV is greater than 0 and less than or equal to 2.5 then the level of reliability is **Excellent**.
- b — If the CV is greater than 2.5 and less than or equal to 5 then the level of reliability is **Very Good**.
- c — If the CV is greater than 5 and less than or equal to 7.5 then the level of reliability is **Good**.
- d — If the CV is greater than 7.5 and less than or equal to 10 then the level of reliability is **Fair**.
- \*\* — If the CV is greater than 10 then the level of reliability is **Poor**. (Do Not Publish)

### Arrows indicate Statistically Significant Changes

Use caution when comparing statistics from one year to the next. Even if there is a year over year change, it is not necessarily a statistically significant change. When applicable, tables in this report include indicators to help interpret changes:

- ↑ indicates the year-over-year change is a statistically significant increase.
- ↓ indicates the year-over-year change is a statistically significant decrease.
- indicates that the effective sample does not allow one to interpret any year-over-year change as being statistically significant.
- △ indicates that the change is statistically significant

## DEFINITIONS

**Availability:** A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy below).

**Rent:** The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit.

It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent.

**Rental Apartment Structure:** Any building containing three or more rental units, of which at least one unit is not ground oriented. Owner-occupied units are not included in the rental building unit count.

**Rental Row (Townhouse) Structure:** Any building containing three or more rental units, all of which are ground oriented with vertical divisions. Owner-occupied units are not included in the rental building unit count. These row units in some centres are commonly referred to as townhouses.

**Vacancy:** A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

**Turnover:** A unit is counted as being turned over if it was occupied by a new tenant moved in during the past 12 months. A unit can be counted as being turned over more than once in a 12 month period.

### Definitions of Census Areas referred to in this publication are as follows:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 50,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

October 2017 and October 2018 data is based on Statistics Canada's 2016 Census area definitions.

### Acknowledgement

The Rental Market Survey and the Condominium Apartment Survey could not have been conducted without the cooperation of the rental property owners, managers, building superintendents and household members throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information. As a result of their contribution CMHC is able to provide information that benefits the entire housing industry.



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