



The Housing Crisis in Hunt Club

THE LACK OF AFFORDABLE MARKET RATE
HOUSING IS HARMING OUR COMMUNITY

A strong economy is built by financially unburdened residents and well-paid workers. The more money sunk into shelter costs, the less there is for businesses to grow the real economy which leads to worse socio-economic outcomes for everyone.

- CONSIDERATIONS OF (FIXED) INCOME CONSTRAINTS

Hunt Club Community

- ❖ Hunt Club, when first developed, was built to be a dynamic and mix-income neighbourhood.
- ❖ Unfortunately, the majority of residents in our neighbourhood would not be able to afford to live here if they had to start over. New residents to our neighbourhood by default, must be part of the top quintile earners of their income segment to afford any home in the neighbourhood.
- ❖ We are at risk of losing part of the diversity that makes Hunt Club a great place to live.
- ❖ Over the past months, I personally had to share the painful news with two mothers of 3 children each that there is no affordable housing in our neighbourhood (even though we have five co-ops). They cannot live here despite the fact that we have two elementary schools.
- ❖ Out large, over the past weeks, there has now been two articles are individuals (as young as 31 y.o.) who are forced to apply to Medical Assistance in Dying (MAiD) because they cannot access affordable housing.

Housing opportunities in HC

SFD for sale for \$863K – income required to be affordable (assumptions: 30% income + 20% down payment (\$172.6K) + 3.5% 5 yr fixed, 25 yrs amortization + municipal taxes + condo fees (\$0/mo) + 2% utilities (\$1,400/mo) = \$5,230/month): **affordable for incomes of at least \$209K per year.**

Welcome home, this meticulously maintained 3+1 bedroom, 4 bath home nestled in desirable Hunt Club. Close to transit, restaurants & stores. Entertaining is a breeze in the sun drenched formal living & dining rooms, enjoy street or yard views. Updated kitchen, granite counters, breakfast island, pot lighting. Main floor family room boasts gas fireplace, patio door. Mudroom with custom cabinetry, entry to garage & side yard with thoughtful BBQ area. Hardwood throughout main & lower level. Spacious Primary bedroom, walk in closet, updated ensuite. 2 other bedrooms, updated main bathroom. Lower level rec room, bedroom, egress window, full ensuite, separate office, cold storage, laundry room. Cannon Ball into the pool with friends/ family this summer. This backyard oasis offers shade when needed under the custom pergola, stamped concrete, purposeful sitting areas, hot tub. Offers presented April 5th at 1:00pm. Seller reserves the right to review and may accept pre-emptive offer 24 hrs irrevocable. (25493537)



Property Summary

Property Type Single Family	Building Type House	Storeys 2	Neighbourhood Name Hunt Club/Western Community	
Title Freehold	Land Size 60.01 ft X 100 ft	Built in 1978	Annual Property Taxes \$5,040	
Parking Type Attached Garage	Time on REALTOR.ca -	Population size 319	Median age 53.1	Average Household Size 2.7
		Average Household Income \$179,886	Households with Children (%) 49	Households without Children (%) 51
		Number of Households 119	Not in the Labour Force (%) 41	

Housing opportunities in HC

Semi-detached for sale for \$578K --- income required to be affordable (assumptions: 30% income + 20% down payment (\$115.6K) + 3.5% 5 yr fixed, 25 yrs amortization + municipal taxes + condo fees (\$0/mo) + 2% utilities (\$950/mo) = \$3,550/month): **affordable for incomes of at least \$142K per year.**

Description

Welcome to **Hunt Club**, whether you're a young family looking for your first home, or an investor looking for a great income option, this property offers great potentials. Situated on a large corner lot the house is freshly painted throughout & in move in ready condition. The Living room with granite faced fireplace and patio door leading to the large rear & side yard. Kitchen has an ample eating area, granite countertop & plenty of cabinet space. Large bay window in bright dining room. 2nd level has a large master bedroom with 4pc ensuite bathroom, and two additional good-sized bedrooms & a full bath. Bonus mortgage helper/in-law suite: fully finished basement has the 4th room, kitchen and full bathroom with a separate side entrance for total privacy. Furnace 2012, A/C 2017, Roof 2010. Offers to be presented March 28th @ 6pm, 24 hour irrevocable, however Seller reserves the right to review and may accept pre-emptive offers. Open house March 27 @ 2 - 4pm (25445331)



Property Summary

Property Type Single Family	Building Type House	Storeys 2	Neighbourhood Name Hunt Club		
Title Freehold	Land Size 34.45 ft X 94 ft	Built in 1979	Annual Property Taxes \$3,834		
Parking Type Attached Garage	Time on REALTOR.ca	Population size 523	Median age 41.4	Average Household Size 2.6	
		Average Household Income \$116,407	Households with Children (%) 68	Households without Children (%) 32	
		Number of Households 203	Not in the Labour Force (%) 31		

Housing opportunities in HC

Condo for sale for \$400K – income required to be affordable (assumptions: 30% income + 20% down payment (\$80K) + 3.5% 5 yr fixed, 25 yrs amortization + municipal taxes + condo fees (\$400/mo) + 1% utilities (\$330/mo) = \$2,500/month): **affordable for incomes of at least \$100K per year.**

Description

A TRUE GEM! AN INVESTMENT PROPERTY . This rare 4 bedrm condo townhome is fully updated and in move-in condition! Home features vinyl floors throughout the main, upper level and basement. A fully updated kitchen with new STAINLESS STEEL appliances. Living room with fireplace, lots of pot lights inside the house. . The upper level offers 3 bedrooms, Master bedrm is spacious in size and 2 other are good in size. a completely updated bathroom and much more. Basement is fully finished, there is a bedroom a den, 3 piece washroom, kitchen, laundry room and storage space. NOTHING TO DO EXCEPT MOVE! Home is close to schools, parks, transit, shopping. Offers will be presented Thursday, April 7th, at 11:00am, however, the sellers reserve the right to review and accept a preemptive offer that meet their needs. (25495673)



Property Summary

Property Type Single Family	Building Type Row / Townhouse	Storeys 2	Neighbourhood Name HUNT CLUB
Title Condominium/Strata	Built in 1980	Annual Property Taxes \$2,249	Parking Type Open
Time on REALTOR.ca	Population size 1,293	Median age 41.8	Average Household Size 2.5
	Average Household Income \$94,977	Households with Children (%) 66	Households without Children (%) 34
	Number of Households 485	Not in the Labour Force (%) 40	

Apples to Oranges: Housing Prices Today vs. 1981

In Ottawa in 1981, the average home cost **\$65 000**

BUT Interest Rates were high, **18.2%** on average in 1981 (though it went up to 21% at its peak).

AND You had to save **20%** down

Prices increased in Ottawa

in 1983 by **21%**

in 1984 by **18%**

(highest in last 40 years until 2020)

In Ottawa in 2021, the average home cost **\$682 000**

Now Interest Rates are low (**3.3%**)

And down payments can be **5-10%***

in 2020 by **20%**

in 2021 by **29%**

...and they're still increasing

*Minimum down payments are 5% on the first \$500k, 10% from \$500k to \$1M, and 20% for anything over \$1M

Interest rates make a difference...

To account for inflation, let's consider the equivalent of today's costs as they would have been in 1981 (deflate them).

1981

\$65K HOME @ 18.4% INTEREST RATE
= \$238K to pay it off

By paying down the principle FAST, it is possible to significantly REDUCE the prohibitive interest costs.

Maxing out on a mortgage meant less than 50% of your income was attributed to debts.

2021 (deflated)

\$233K HOME @ 3.3% INTEREST RATE
= \$331K to pay it off (in 1981 dollars)

There is no option to quickly pay down this home for the average buyer. The buyer is saddled with high debt for their entire working life.

Maxing out on a mortgage means up to 70% of your income is used to pay debt every month.

These two options aren't comparable... one is obviously a better deal.

Costs to Homeowners: 1981 vs. 2021

To account for inflation, let's consider the equivalent of today's costs in 1981.

in 1981, the average home in Ottawa cost

\$65 000

In 1981, an average down payment was

\$13 000

The amount to pay off that home was

\$238 000

Total Interest for a 25-year mortgage was

\$186 000 (more than the house!!)

Monthly Payments on that mortgage

were

\$800

In 1981, homes today would have cost

\$233 000

The down payment would be

\$15 000

To pay off that home would be

\$331 000*

Total Interest would be

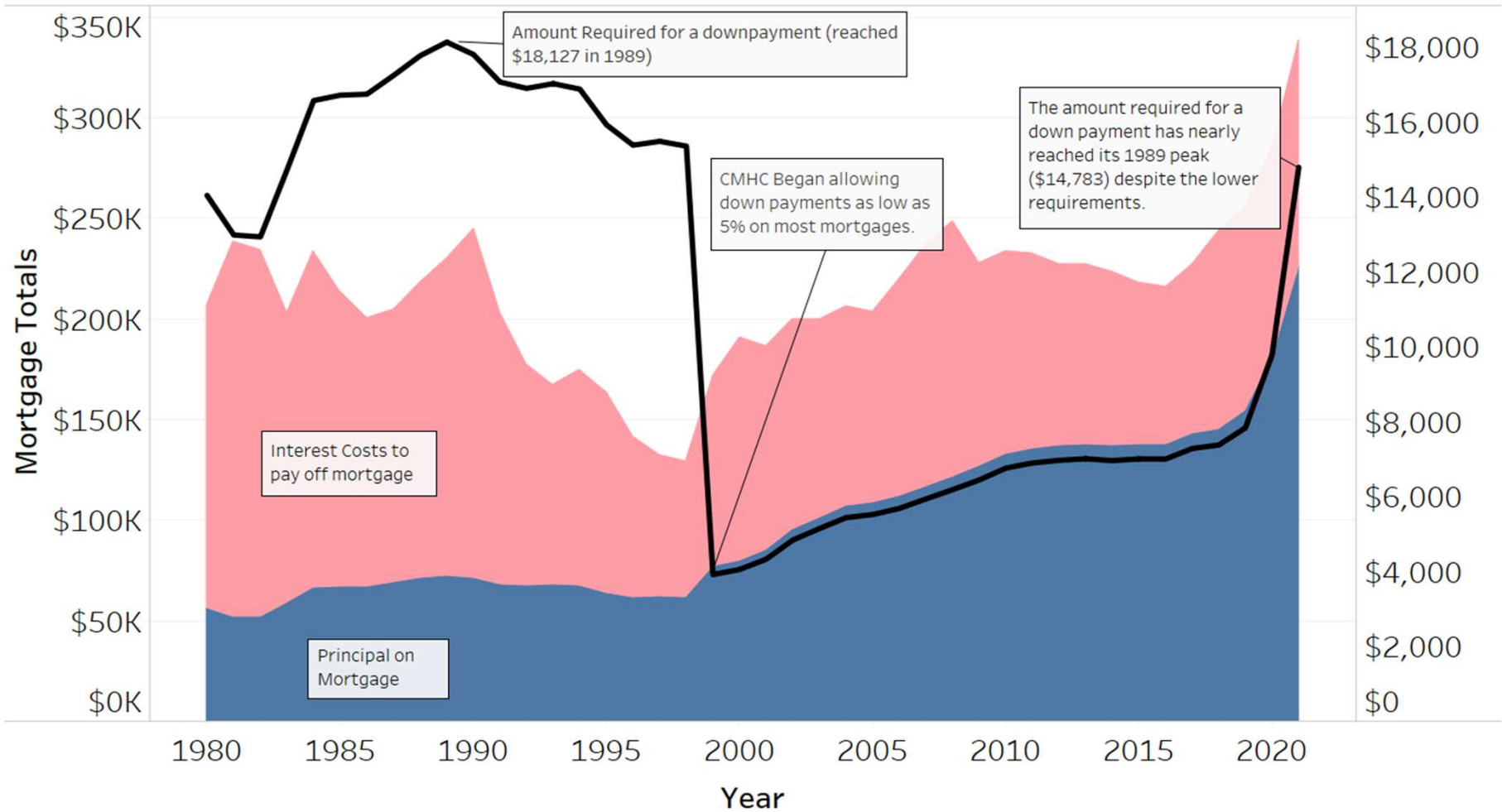
\$113 000

Monthly Payments would be

\$1 100

*Insurance premiums required for a lower down payment increase the total loan amount

Costs to Purchase an Average Home in Ottawa in 1981 Dollars



Home prices in our community

A Tale of Two Townhouses...



Sold in June 2019 for \$483 000
(\$1000 under asking)

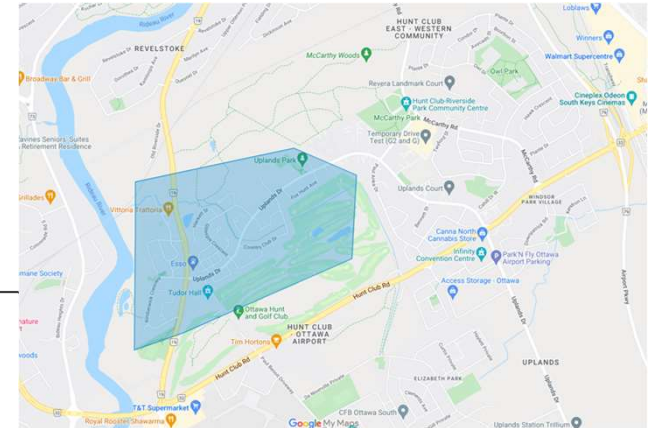
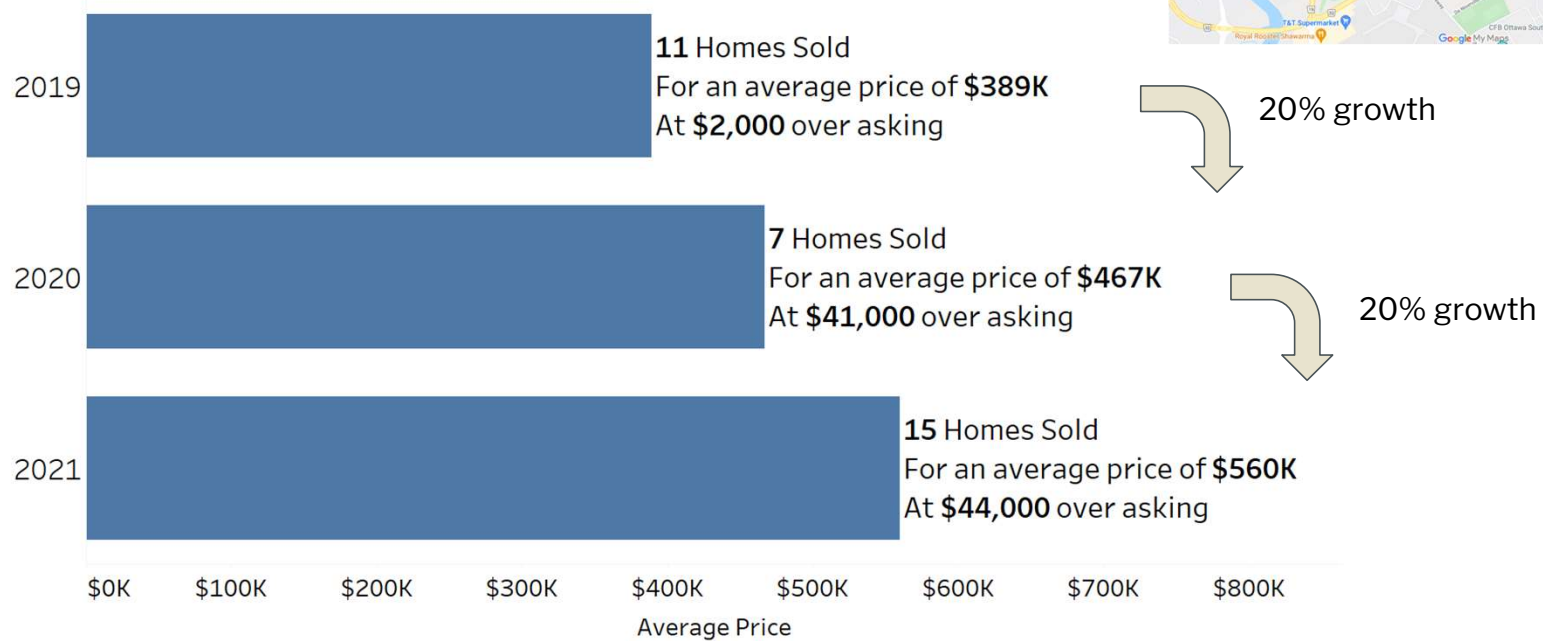


Sold in October 2021 for \$611 000
(\$110 000 over asking)

...and they're next door to each other!

Sold prices in HC

Townhouse Sales in Quinterra / Uplands



Caveats and Sources for Comparing 1981 and 2021 prices

The analysis on these slides does not account for several factors, though we suspect in most cases these factors make the current crisis more acute than how we've presented it.

- First, most glaringly, it focuses on overall averages, which does not account for a wide degree of variability among housing prices, income, etc, especially among neighbourhoods.
- Rent prices have a large impact on the feasibility of saving for a downpayment. Though the CPI data is used to compare 1981 prices directly to 2021, if relative rent prices are higher in one of those years then it would understate the real cost of saving for a downpayment.
- The analysis uses all dwelling types. The distribution of available choices (e.g. more Single Detached homes in 1981 and more condos in 2021) means that prices / sq ft may be significantly different than prices per home .
- Volatility in interest rates was a serious problem in 1981 that's smoothed over by an average here, making it very difficult for buyers to make an informed decision.
- Conversely, using the most common 5-year fixed mortgage meant that buyers in 1981 were able to enjoy a lower interest rate later on, lowering the final amount they had to pay. Interest rates are unlikely to significantly decrease in the future. Though of course, as noted above, buyers could not have benefited from this hindsight in 1981.

Sources:

Home prices: The Ontario Real Estate Board. Full historical data is not readily available but is republished by other companies, though they transform the data further. We used two separate companies whose data largely matched, except for 2021, which we then averaged and correlated with the 2021 data available from the OREB.

<https://homesinottawa.com/be-informed/market-reports/>

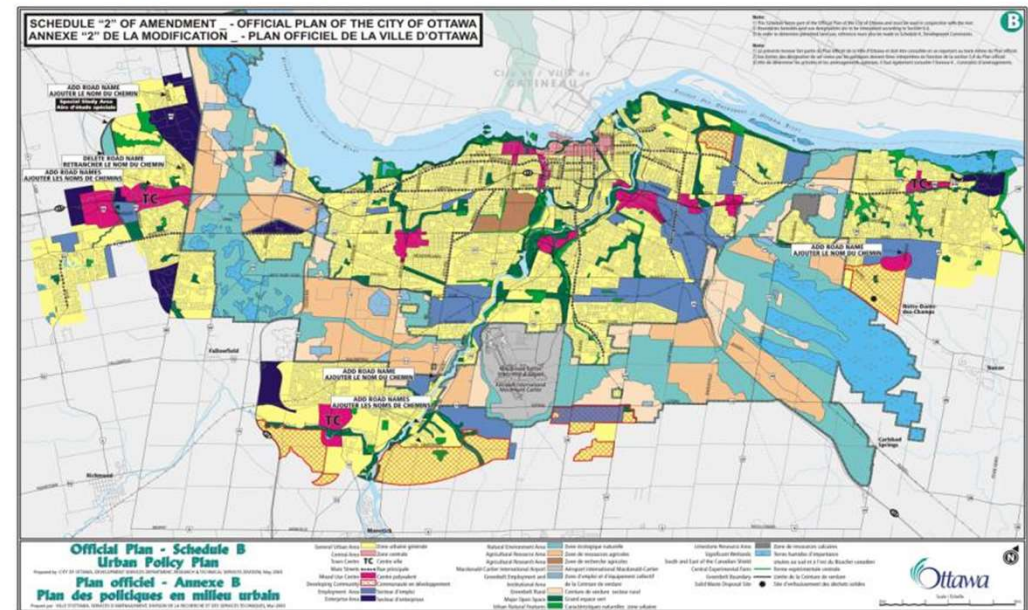
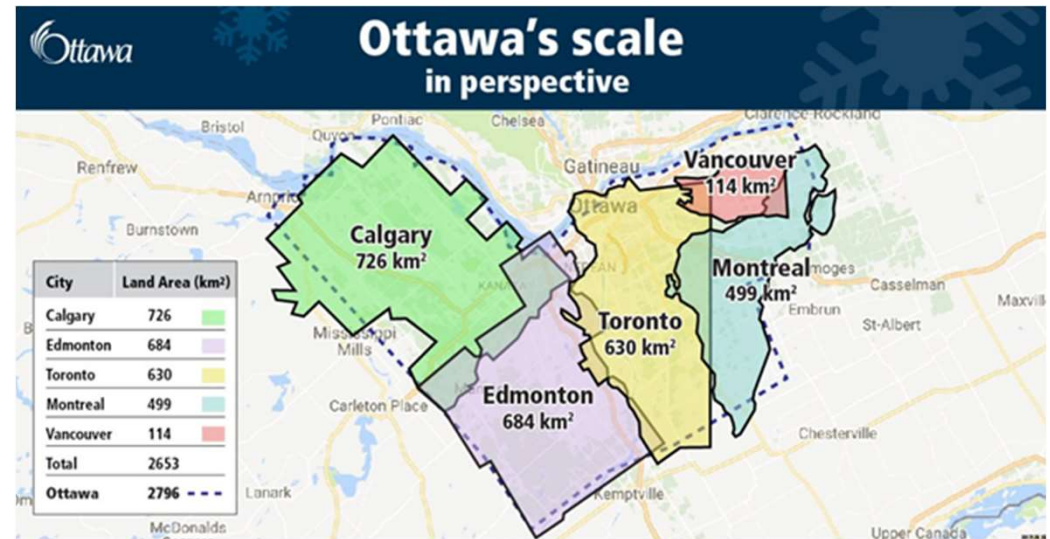
<https://www.agentinottawa.com/stats/>

CPI: Statistics Canada. <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1110019101>

Historical Mortgage Rates: Statistics Canada. <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1810000501>

A host of policies and mistakes have brought us here:

1. Constrained housing supply
2. Uncontrolled credit expansion
3. Financialization of housing
4. Speculation
5. Municipal finances and infrastructure



How much housing should we build?

- Each one of our children will need a separate home, while we grow old in the home we raised them in.
- Household sizes have shrunk over the past 40-50 years, which means we would need more housing units today even if the population had not grown.
- Some of our children will move away, some will move to our town, which means that building one home per child we have is an adequate proxy to ensure they have fair access to a home in the future (in truth, we need more than one home per child).
- Our community has not built homes at the necessary pace to accommodate our own housing needs, we have been relying on other neighbourhoods to grow instead of us, and they have the same thinking as us, which means we are not building enough homes anywhere.

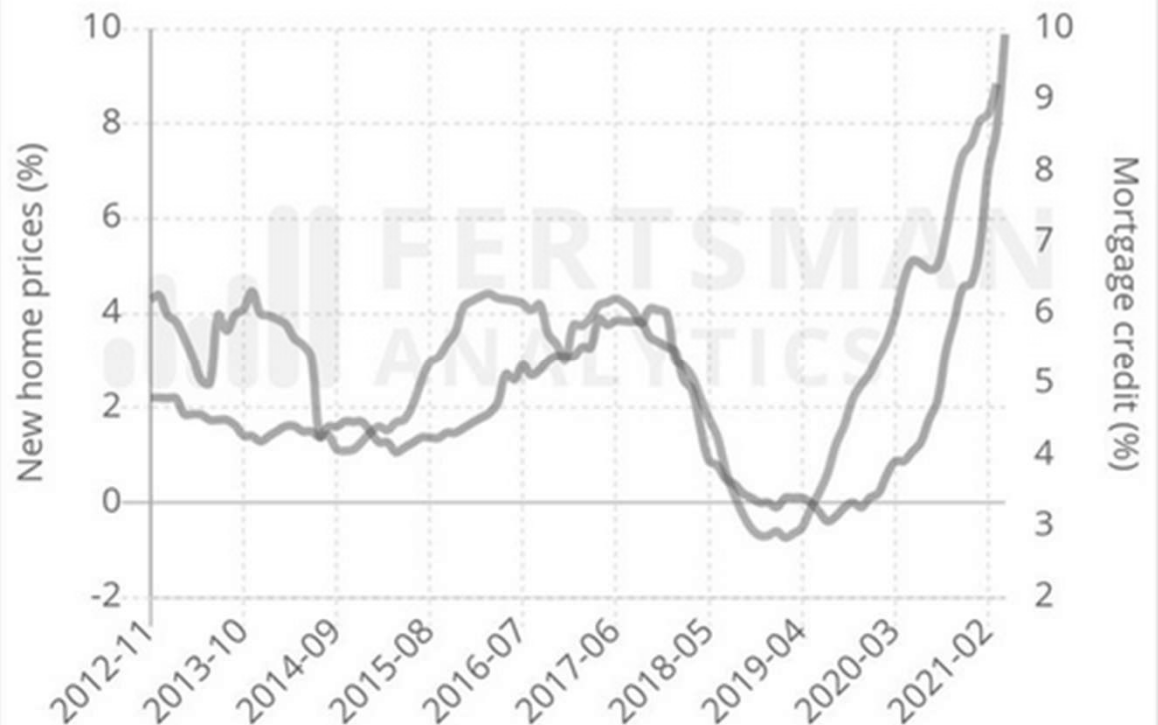
Our neighbourhood shouldn't be a time-capsule, it should reflect who we are as a community and grow with us

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NEW HOME PRICES VS. MORTGAGE CREDIT

YOY

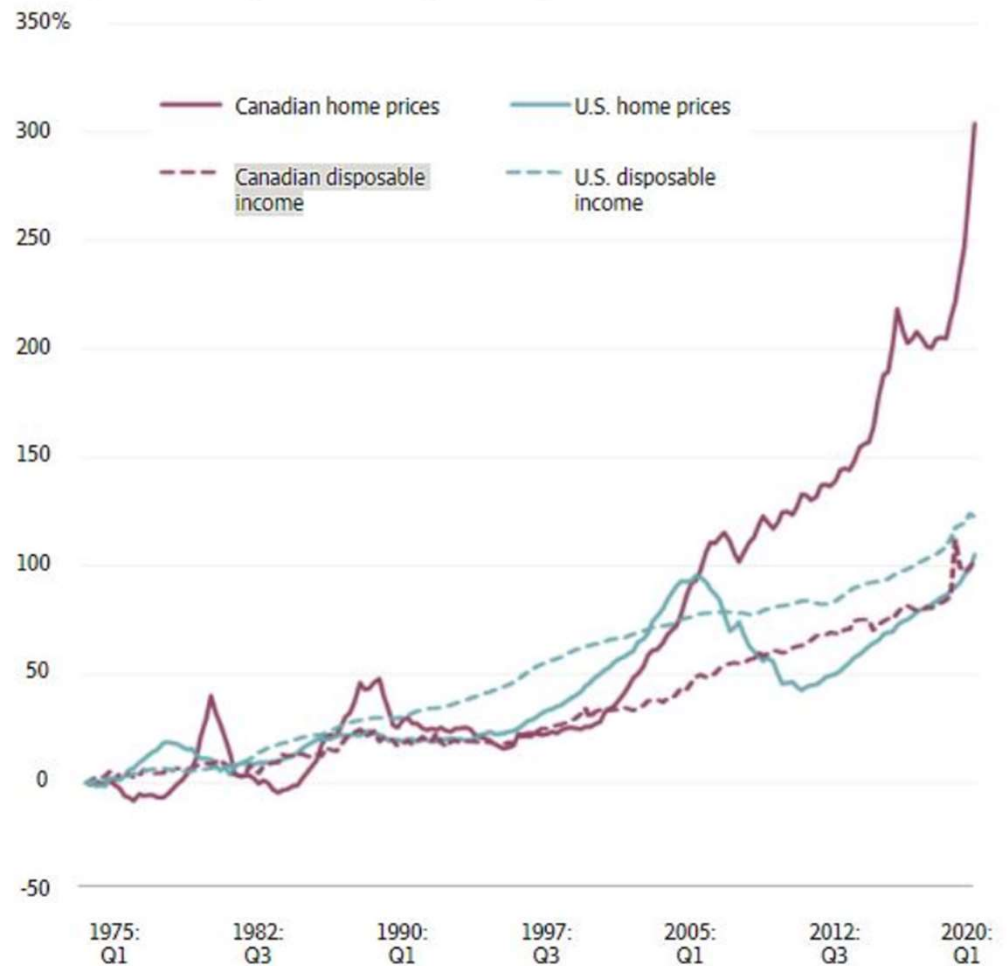


Equation: $y = 0.72x + -2.09$, $R^2 = 0.49$

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House prices have outpaced incomes spectacularly in Canada



THE GLOBE AND MAIL, SOURCE: KARL SCHAMMOTA

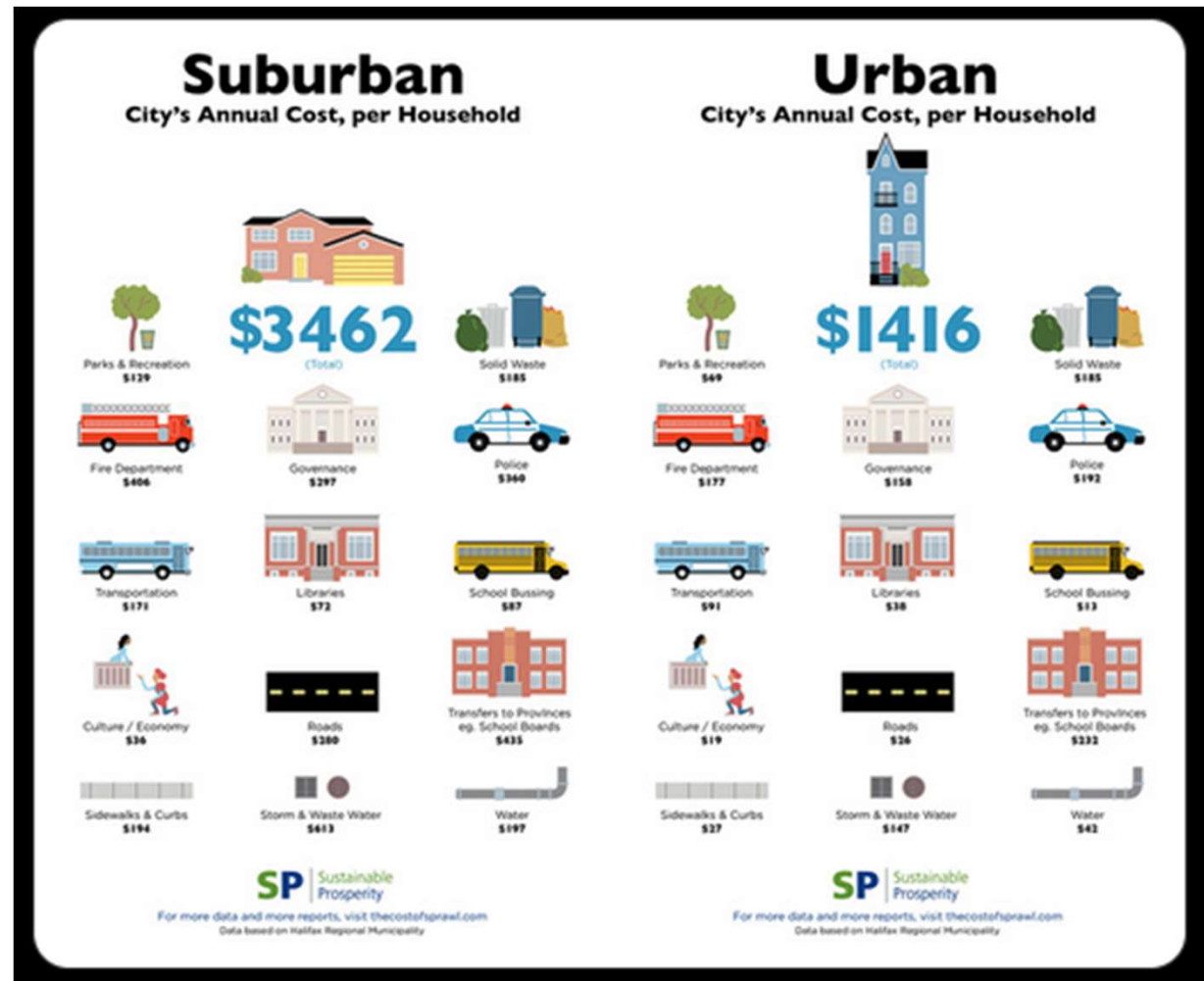
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5. **Municipal finances and infrastructure**



The needs of Hunt Club residents

The limited housing type allowed in our neighbourhood does not allow for the flexibility needed to serve well Hunt Club residents throughout the entirety of our lives.

- Elderly residents in SFD homes will be forced to move out of the community they've lived in for 15-40 years because we do not have homes adapted to their needs;

- A greater proportion of children above the age of 25 live with the parents because there are no viable options for them either;

- Our community is gentrifying without new developments and has become a location of choice for investors – *the status quo is not preserving our neighbourhood, it is commodifying it*: affordability is eroding for our friends, new neighbours, and children.

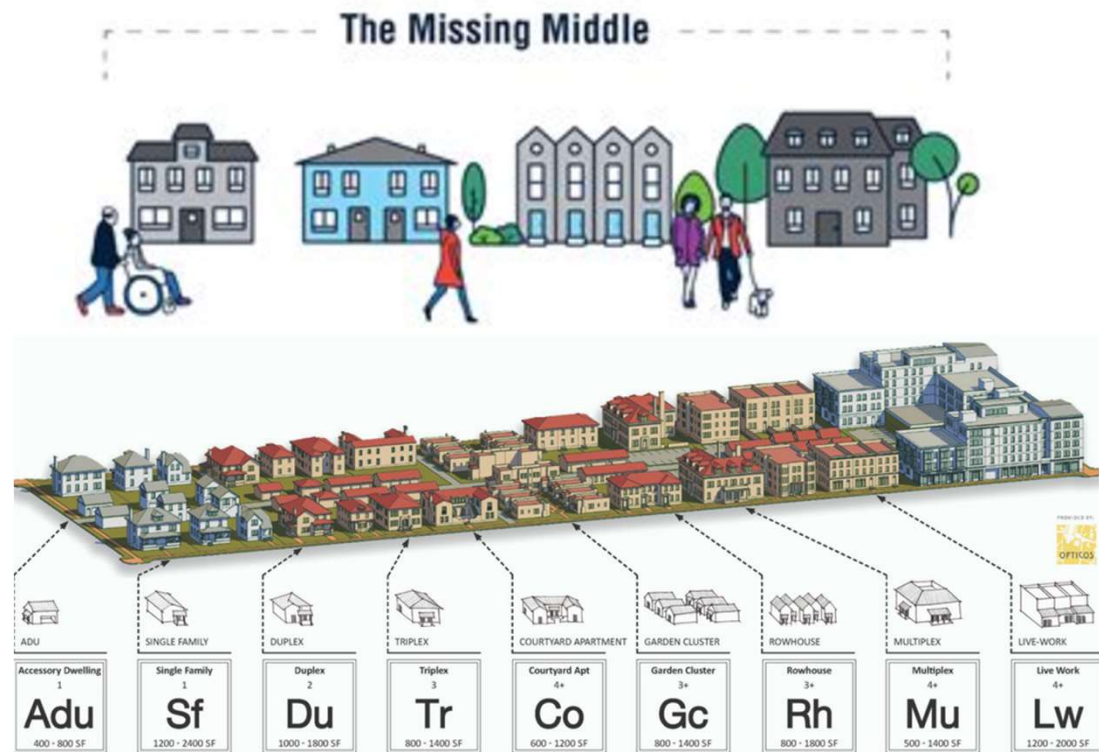
- Family situations change, and our residents should be able to adjust their home according to their needs:

- Separation/divorce: semi-detached homes, duplexes, townhomes may be a better option for some families;
- Sickness/illness: some families may need to downsize because of an accident or illness where a large apartment/condo with balconies may fit their needs better;
- Multigenerational arrangements: some families may choose to live 3-4 generations in one home, but it is currently illegal for them to adapt their home to their needs
- Death/single parent: affordable options, even if the living space is smaller than 1,000 sq ft would be a great option for families having gone through a trauma as they can keep their social network by staying in our neighbourhood even if they can no longer afford a SDH.

Legalizing housing types that serve residents all throughout our entire lives is a feature of livable and affordable communities.

Missing Middle Gentle Density

- An **anti-displacement strategy** to house our children and friends, and keep our elder neighbours adequately housed
- A **housing choice strategy** that does not impose on families only one type of housing but allows people to choose what suits them best based on their needs
- A **family and community-oriented strategy** that makes our streets safer for children and encourages inclusivity and diversity
- An **environmentally sustainable strategy** that protects our cherished green spaces and reduces home and transportation GHG emissions



Summary – Constrained Housing Supply

- ❖ Zoning plays an important health and safety role.
- ❖ Stringent zoning that micromanages our personal property rights fosters a less inclusive community.
- ❖ Neighbourhood character is an important feature of what we love about our neighbourhood, but we all have different tastes and like different visual aspects, it is the mix of these characters that give our neighbourhood capital-C Character.
- ❖ Neighbourhood character is not a monochromatic housing type forced on all residents regardless of their needs, but rather the harmonious junction of various shapes and colours representing our differences and collectiveness.
- ❖ Legalizing and recognizing our differences prevents the displacements of our neighbours, allows for personal choice, strengthens our community bonds, and saves our beloved green spaces.
- ❖ Market rate housing supply reduces pressure on lower income housing supply and makes sure residents in our purpose-built rentals are not evicted due to large rent increases.

We are a local community association

As a community association, we can write to our provincial MPP and federal MP to voice our discontent with their policies that continue to worsen the housing crisis (speculation, financialization, uncontrolled credit expansion).

As a community association, we have a local voice to end urban sprawl by encouraging infill developments in our community and across all of Ottawa. Legalizing various housing options to ensure that current and future residents and businesses are well served is one important part of breaking the housing crisis cycle and promoting an environmentally sustainable community.

As a community association that is quite centrally located, we can advocate for fiscally responsible municipal spending, and the collection of charges and taxes that discourage continued urban sprawl and make infill developments more affordable.