



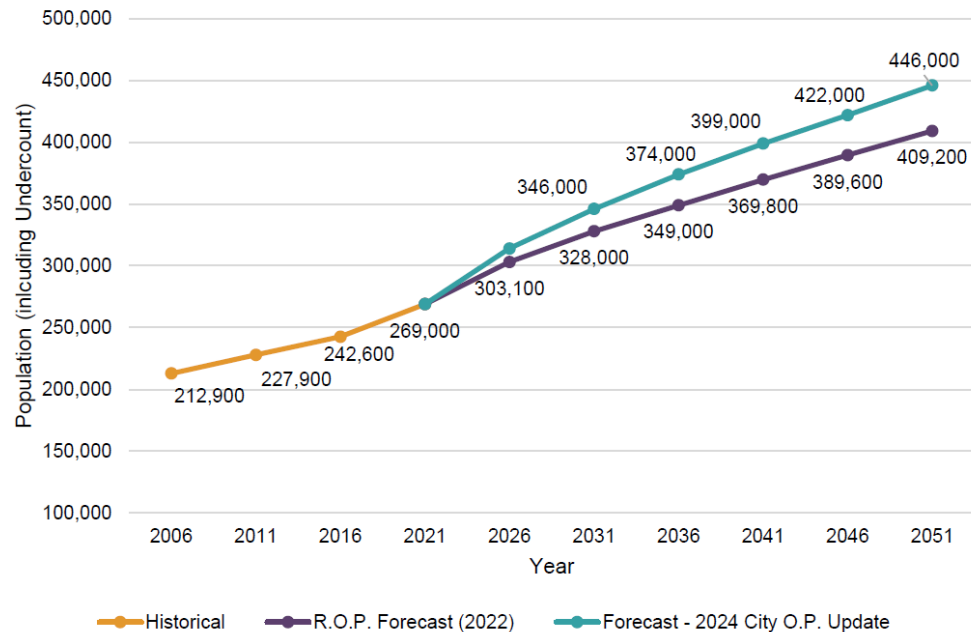
Planning and Strategic Initiatives Committee

Project: 864-872 King Street West, Kitchener
October 28, 2024

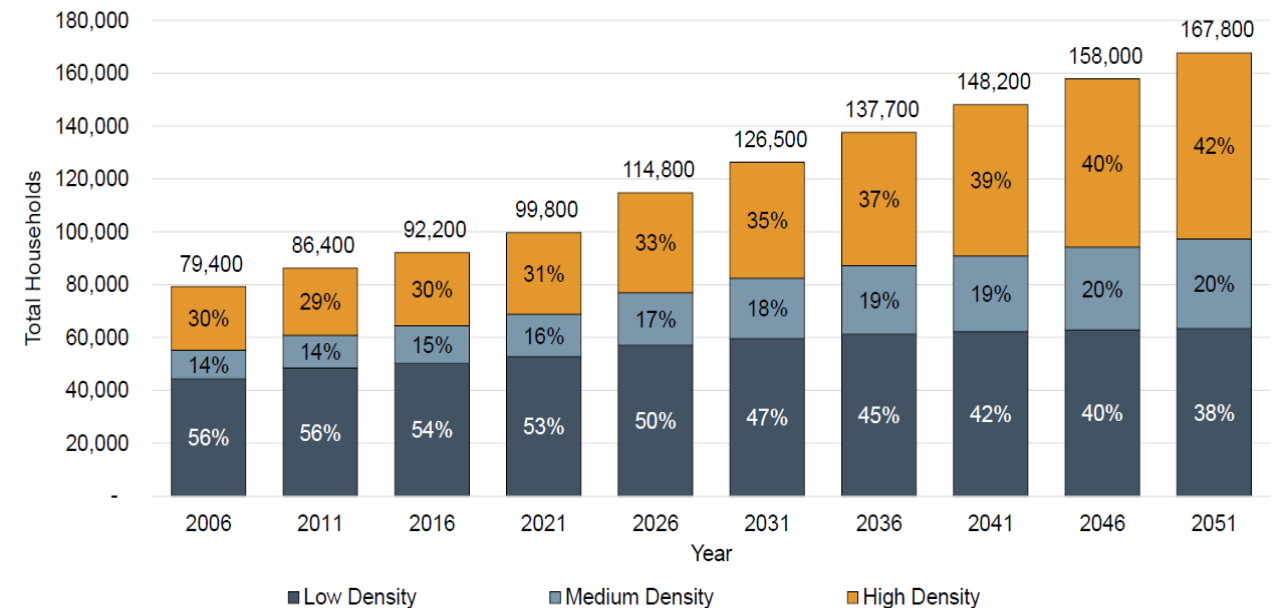
Population Growth in Kitchener

- The City of Kitchener is forecast to grow to 446,000 people and 180,000 jobs by 2051, with the Region projected to hit one million residents before that time
- Overall rental growth in 2023 increased to 8.9% (+1.6% YoY in comparison to the 2022 survey), driven by downsizers, high interest rates impacting first time home buyers, employment growth and an increased student population

Population Growth for City of Kitchener 2006 - 2051



City of Kitchener – Total Housing Growth Forecast (2024)



Population Growth is Driving Demand

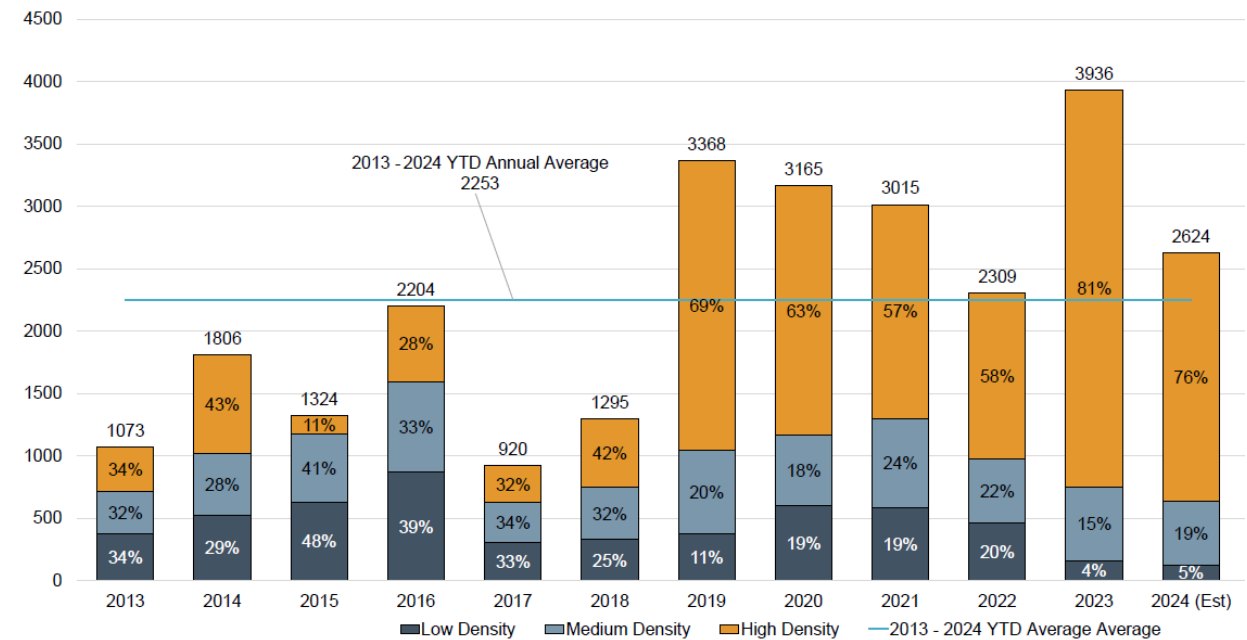
- Kitchener rental market faces major supply shortages, and demand for mid-market apartments is very strong with a 2.1% vacancy rate in 2023, up from 1.2% in the previous year; *the increase was partly due to significant additions to new rental supply across the region; however, these are some of the lowest rates we have seen in 20 years*
- Almost all apartment low-rise starts are stacked townhomes and/or condo ownership, with a trending decrease in Building Permit activity for high density new builds

City of Kitchener Housing Statistics (Building Faster Fund)

Indicator	2023	2024
Provincial annual housing start target for Kitchener (measured in housing units)	2,567	2,917*
Housing starts (measured in housing units)	3,579	696*
Percent of provincial housing start target achieved	139%	40.32%**
Residential units approved	11,457	2,306***
Residential permits issued	3,945 units	1,508 units***

* as of June 2024, ** as of August 2024, *** as of July 2024

Historical Residential Building Permit Activity (New Construction/Addition Units)



How is Vive Filling the Gap?

- ✓ **We focus on purpose-built rental** that can be delivered at lower prices – our units are targeted to attainable rental prices for households with moderate income
- ✓ **Increasing the supply of mid-market housing** opens a path for people to move through the housing spectrum based on choice (proximity to work, space, resources, etc.) and affordability
- ✓ **Increasing the supply of purpose-built rental creates a housing option** between affordable housing and condo-living, and for those that choose renting over ownership
- ✓ **Expanding development outside of Kitchener**, increasing supply by working with City staff of other major hubs including Milton, Guelph and St. Catharines
- ✓ **Incorporating 10%+ affordable units per CMHC definitions** into most of our new purpose-built projects (defined as 30% of median renter household income)

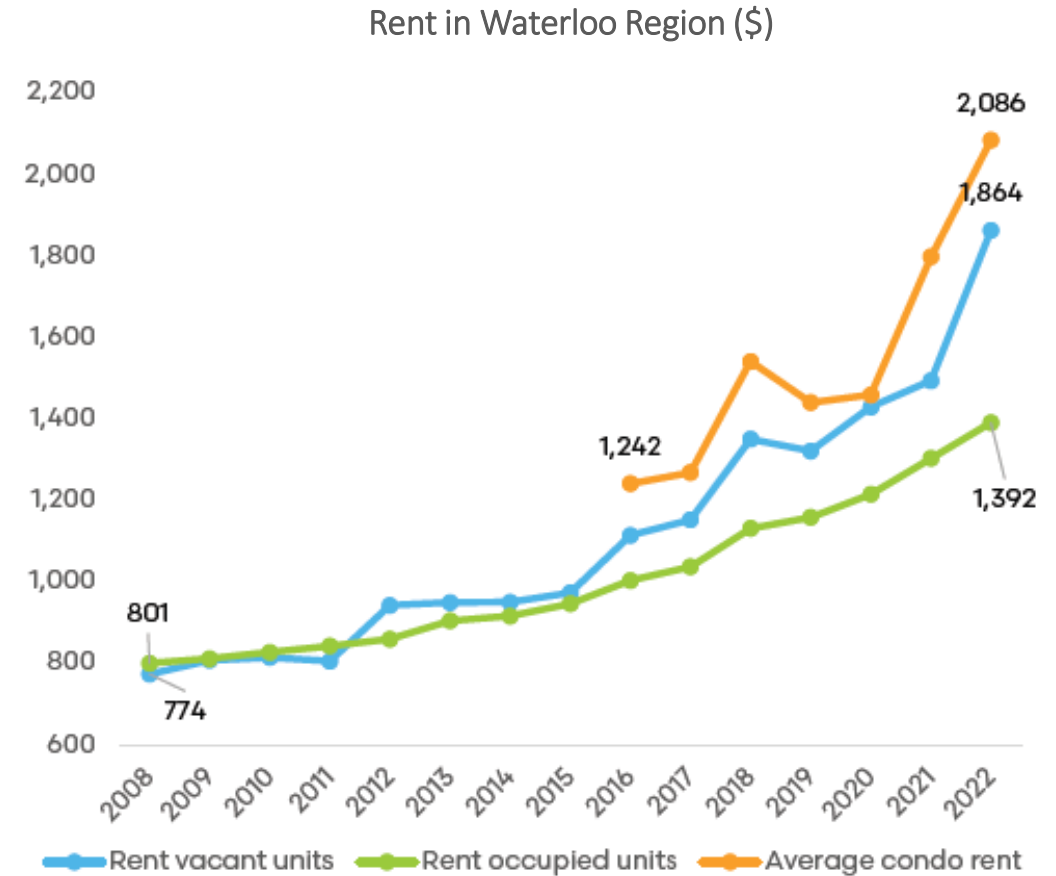


Vive has the
potential
to pull 8 new
building permits
in 2024 – 2025

3,000+ new
rental units in
Kitchener!

Rent Inflation

- Rent inflation in KWC over the past decade implies the market is supply constrained:
 - There has been a 69% increase in average rents in the last 10 years (2011-2023)
 - In the last 3 years (2020-2023), the average rent increase in KWC was 28%
 - Condo rents have been tracked by CMHC since 2016, but have grown at almost the same rate as vacant unit rents between 2016 – 2022
 - Due to the steep rise of rental prices, 37% of renter households live in unaffordable housing
 - Rent inflation is expected to continue due to an extreme supply shortage and high demand



Source: Vital Signs 2023 Report; CMHC Rental Market Tables

Community Benefits

Supply & Demand

Waterloo Region is on pace to hit one million people by 2032 – this project brings more mid-market rental housing to Kitchener

Location

Walking distance to many community resources including hospital, schools, grocery and more

Energy Efficiency

More than 25% more efficient than the applicable reference model building code, cutting down on Greenhouse Gas Emissions

Accessibility

Minimum of 2 adaptable units, in addition to minimum 10% of unit accessible requirements

Transit Access

Major Transit Station Area – intended for intensification, utilizing existing and planned LRT infrastructure

Affordability

More than 20% of total units to be deemed affordable per CMHC guidelines, at 70% of 30% of median income