

Thank you, Staff!

2025 Residential Market Update

*IZ policy review for Municipal Partners:
Kitchener, Waterloo & Cambridge*

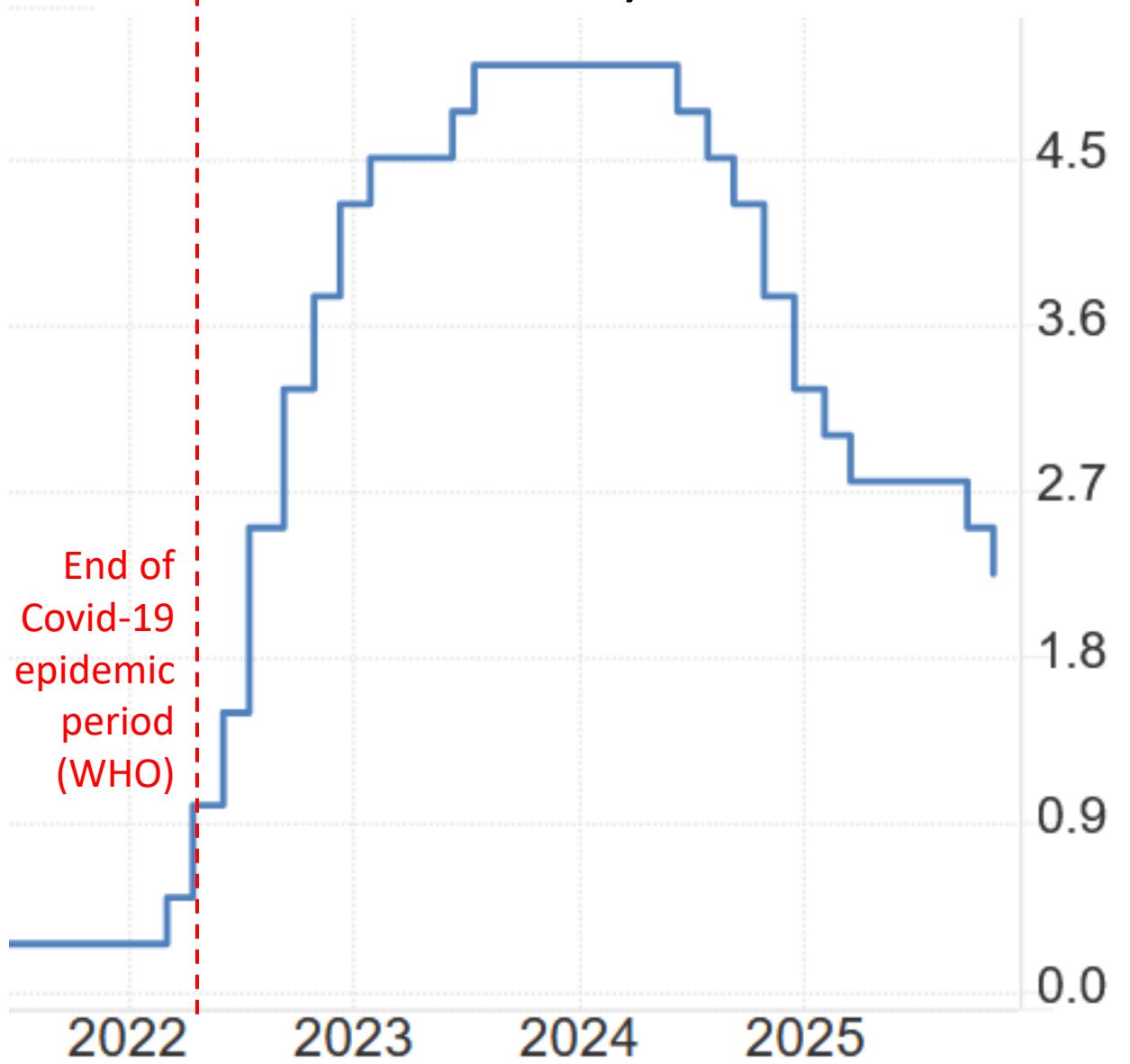
NBLC

September 2025

nblc
N. Barry Lyon Consultants Ltd.

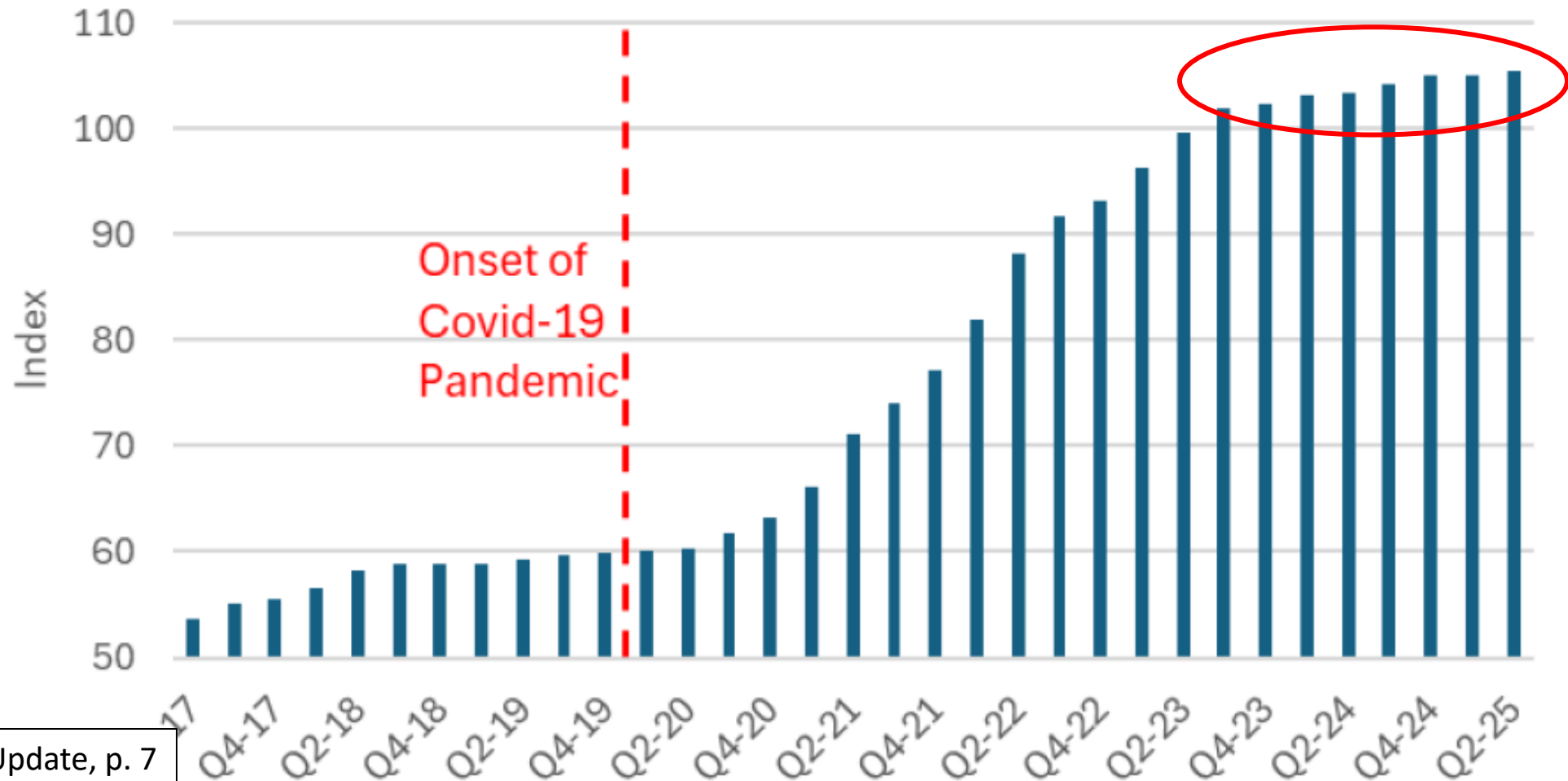
Bank of Canada Key Interest Rate

%



Source:
<https://tradingeconomics.com/canada/interest-rate>

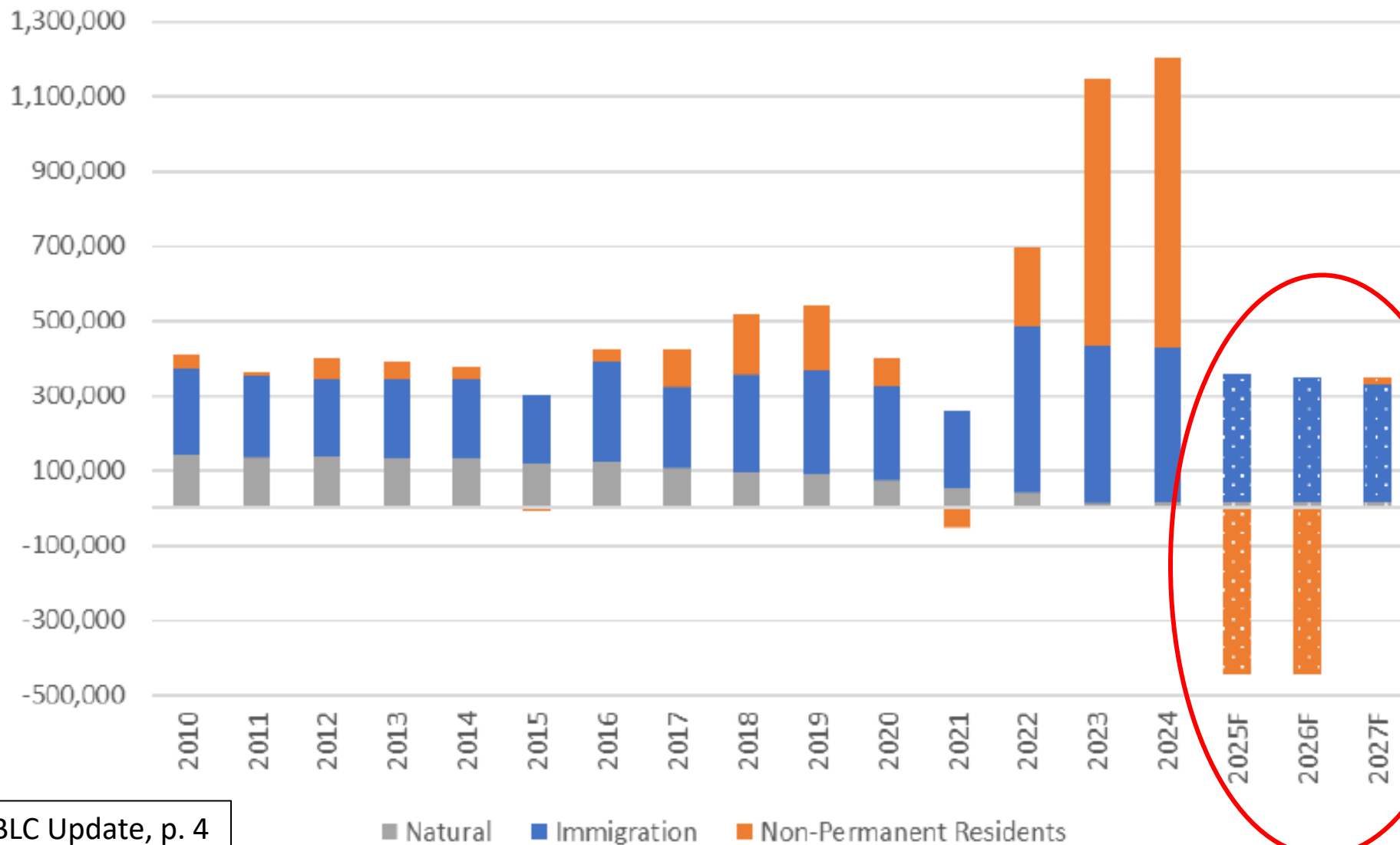
Apartment Building Construction Price Index Toronto CMA: Q2-2017 to Q2-2025



Source: NBLC Update, p. 7

Data source: Statistics Canada

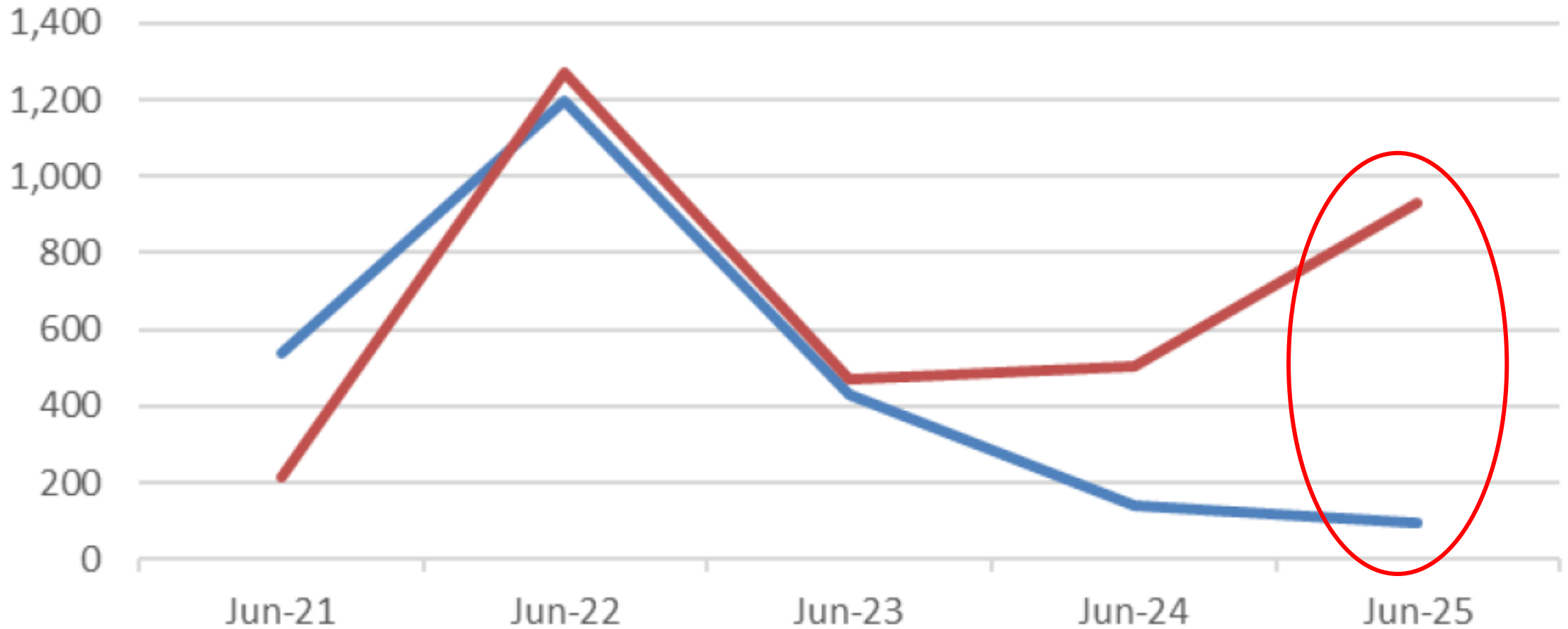
Components of Population Growth in Canada 2010 to 2027 (Forecast from 2025)



Source: NBLC Update, p. 4

Condominium Apartment Sales

KWC: First-Half 2021 to 2025



Source: NBLC Update, p. 11

— YTD Sales — Remaining Inventory

Data source: Altus Data Studio

Conclusions

1. Factors, including effective demand relative to existing supply, interest rates and construction costs render the impact of IZ negligible.
2. There can be no real new for-profit development until the bulk of the existing supply has been absorbed and sufficient effective demand re-emerges.
3. We cannot time the market. We must implement our IZ policy now to secure IZ units when the market recovers.

“While the timing for market recovery is unknown, broader market fundamentals do suggest that there is likely to be a return to strength, over time.”

NBLC Update, p. 21



Social Development Centre
— WATERLOO REGION —

TURNING UP THE VOLUME

LIFE STORIES OF
DISPLACEMENT

EVERY VOICE COUNTS

Mapping Displacement

Mapping displacement and the loss of affordable housing in Kitchener and Waterloo.

May 31, 2021

INCLUSIONARY ZONING:

Six insights from international experience

By Martine August and Giuseppe Tolfo

The 'hidden' sides of transit-induced gentrification and displacement along Waterloo Region's LRT corridor

Brian Doucet

School of Planning, University of Waterloo, 200 University Ave West, Waterloo, ON N2L 3G1, Canada

Staff Report

Chief Administrator's Office



www.kitchener.ca

REPORT TO: Council

DATE OF MEETING: December 17, 2018

SUBMITTED BY: Kathryn Dever, Director Strategy & Corporate Performance,
519-741-2200 ext. 7370

PREPARED BY: Kathryn Dever, Director Strategy & Corporate Performance,
519-741-2200 ext. 7370

WARD (S) INVOLVED: All Ward(s)

DATE OF REPORT: October 25, 2018

REPORT NO.: CAO-18-019

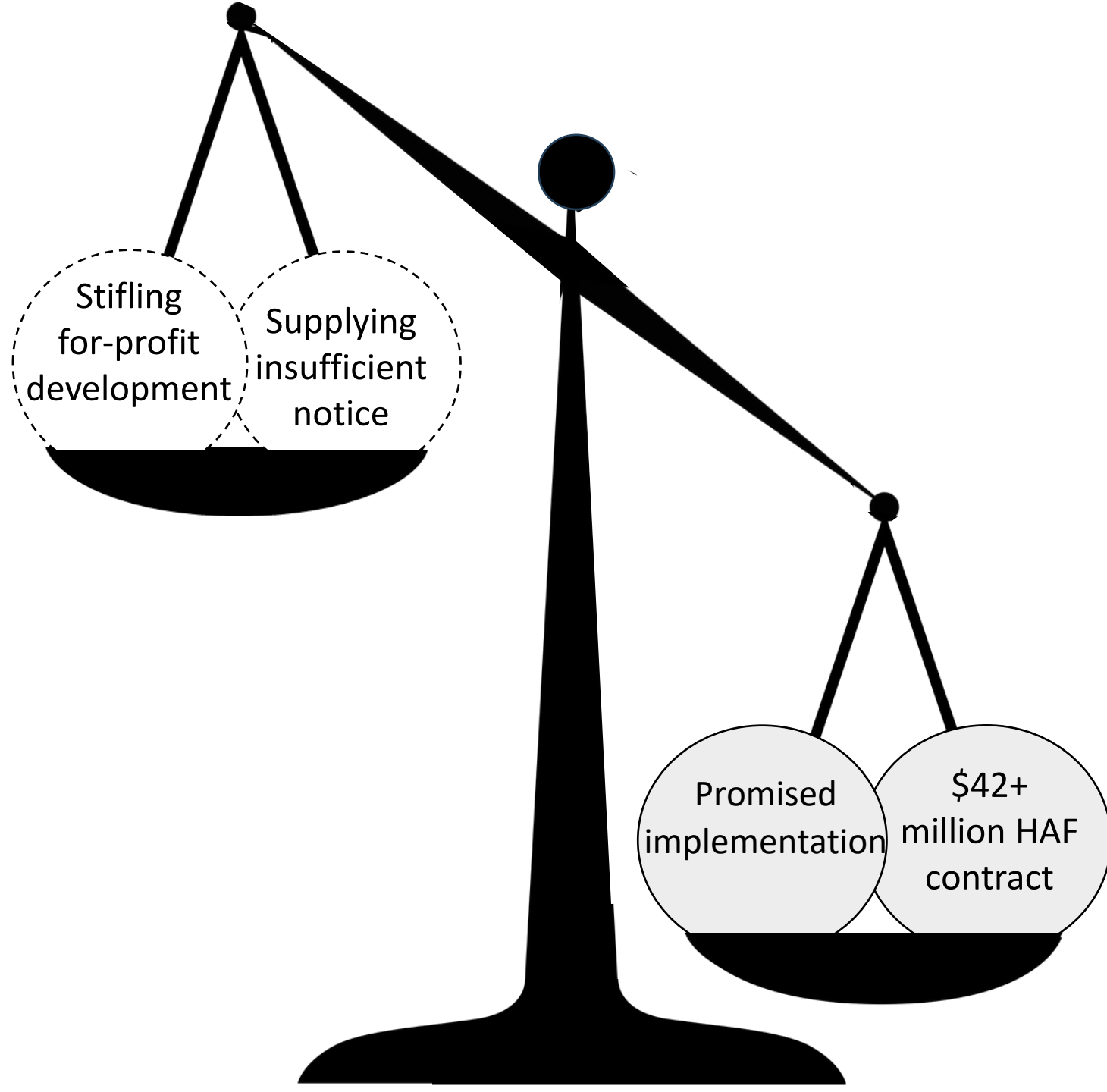
SUBJECT: K-W Joint Services Initiative Committee 2018 Update

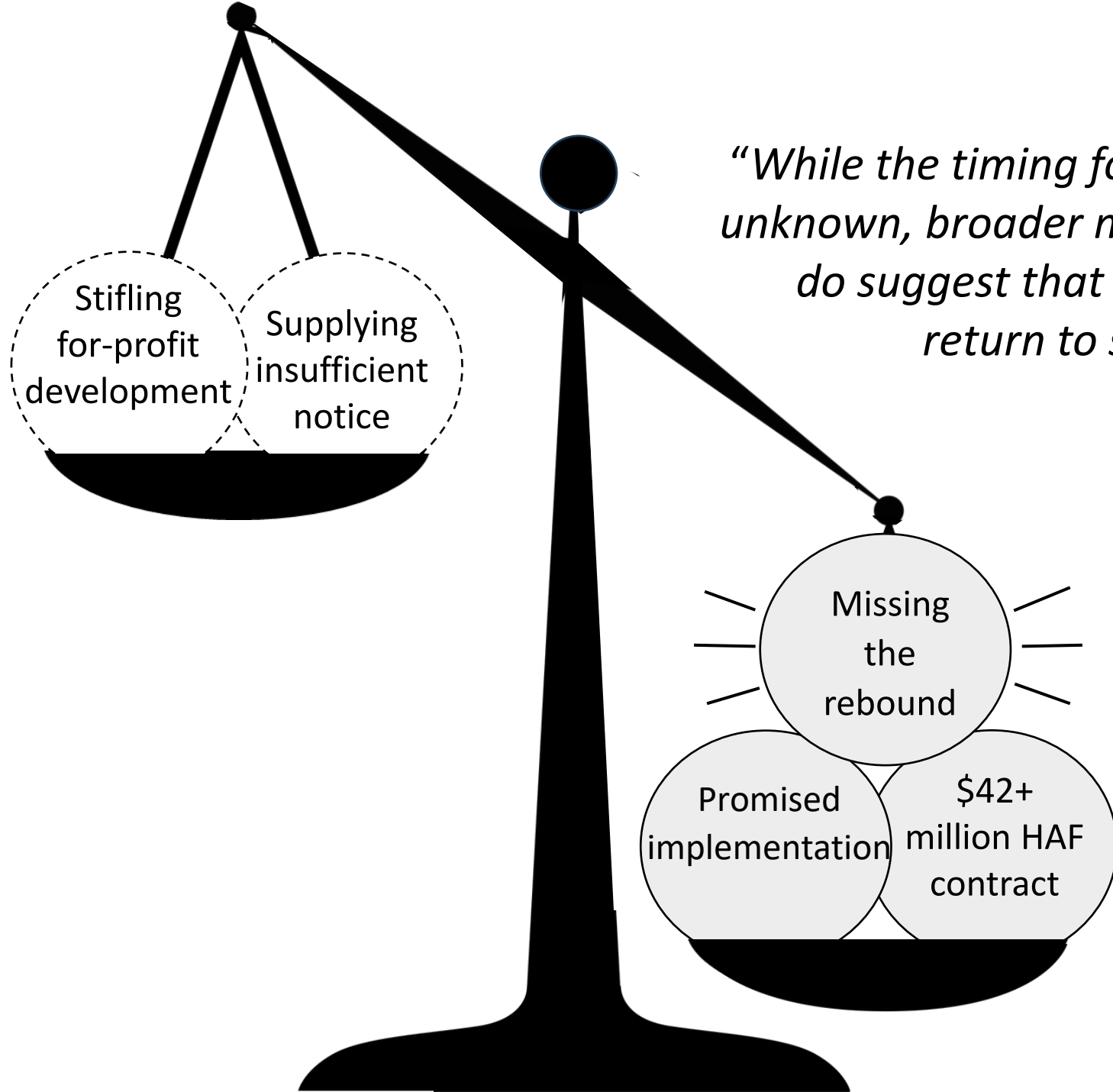
Inclusionary Zoning – Affordable Housing: Assess the impact of Provincial legislation requiring the inclusion of affordable housing units in new residential development projects, and the option for municipalities to implement such zoning. The assessment will include exploring opportunities to combine resources to conduct a study and implement Inclusionary Zoning, since based on staff's understanding of the enacted legislation, significant staff capacity is required to generate data and prepare a municipal assessment report as a precursor to implementing Inclusionary Zoning. Pending possible changes to the legislation, long-term resource/cost sharing may be required to develop, implement and report on new zoning provisions.



Stifling
for-profit
development

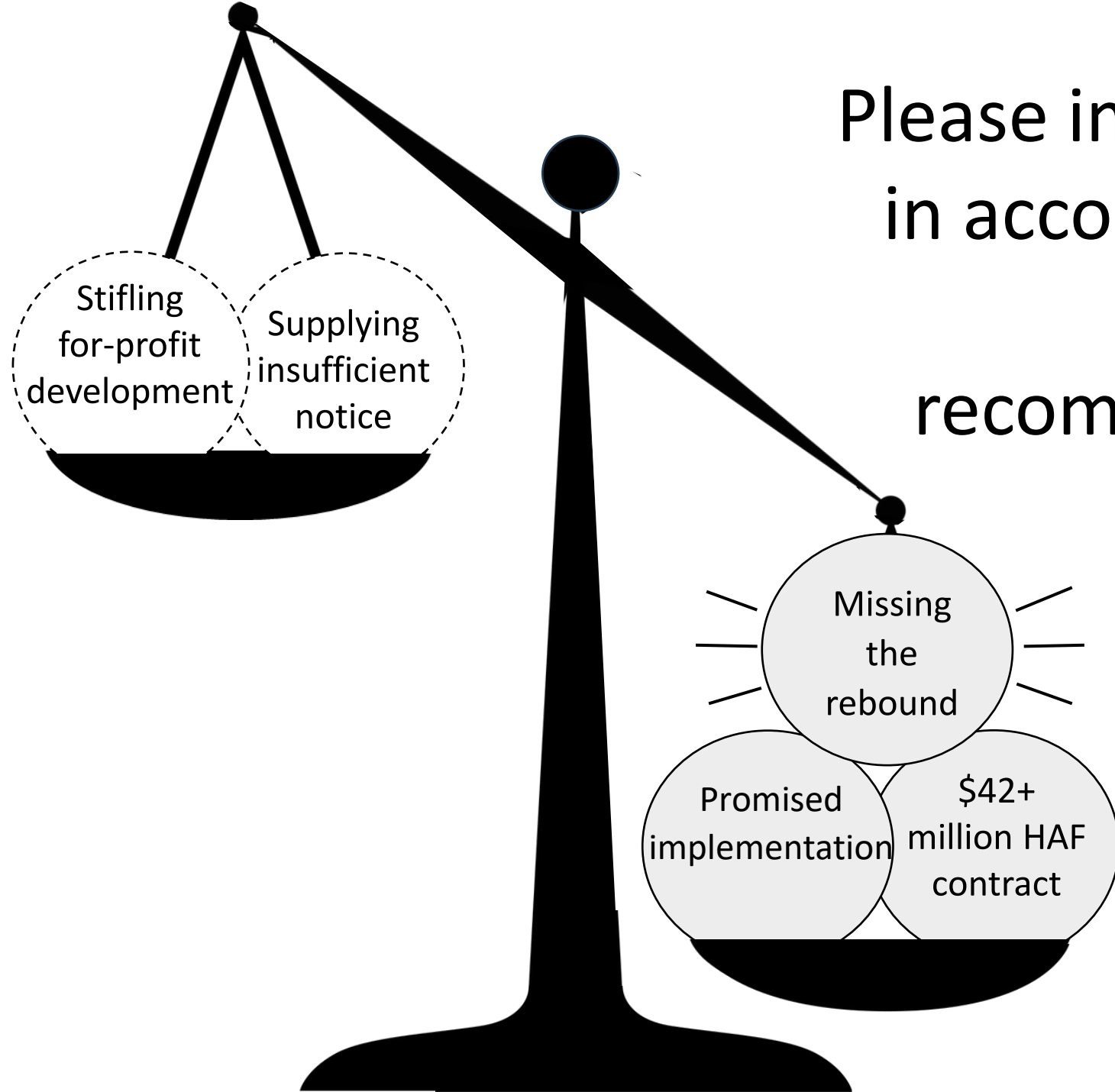
Supplying
insufficient
notice





“While the timing for market recovery is unknown, broader market fundamentals do suggest that there is likely to be a return to strength, over time.”

NBLC Update, p. 21



Please implement IZ
in accordance with
the Staff
recommendation.

Supplementary Material

HAF Agreement and Action Plan Summary Kitchener, Ontario

Summary of Agreement Targets and Funding

Status as of December 12, 2024

Overall Permitted Unit Targets (3 years)	9,671
Units expected without HAF (baseline)	8,455
Units incented by HAF (HAF-incented)	1,216
Municipality's 10-year unit projection	37,533

Permitted Unit Targets with Breakdown	Total Target	Year 1 Forecast	Year 1 Progress
Housing Supply Growth Target	9,671	3,275	4,023
<ul style="list-style-type: none"> • Multi-Unit housing units in close proximity to rapid transit 	4,521	<i>Note: there are no annual forecasts for different unit types.</i>	1,256
<ul style="list-style-type: none"> • Missing middle housing units 	2,362		1,580
<ul style="list-style-type: none"> • Other multi-unit housing units 	1,523		1,106
Affordable Housing Units	1,354		167

HAF Funding Schedule and Explanatory Notes:

The total funding envelope for HAF recipients is based on the number of HAF-incented units, as described in Section 10 of the Pre-Application Reference Material. Advances are disbursed annually, subject to compliance with the terms and conditions of the HAF agreement.

Total funding eligibility	\$42,420,984
Annual advance amount	\$10,605,246

Initiative 1: Growing Together West: Encouraging Growth Around Kitchener's Western Transit Stations

Updating planning rules and reducing parking requirements to unlock residential development around Kitchener's western (including downtown) transit stations.

- This initiative will modernize zoning to permit more density as-of-right for a range of housing types and reduce parking requirements around seven light rail transit stations.
- Kitchener will invest in community infrastructure to support this growth including downtown and cycli

Initiative
Milestones
Community Infrastructure In
Implement new land use pla

Initiative 4: Growing Together West Inclusionary Zoning

Implementing inclusionary zoning to increase affordable housing near rapid transit.

- Kitchener will coordinate with neighboring cities and the Region of Waterloo to introduce a flexible inclusionary zoning framework to secure affordable housing in new developments near light rail transit.
- This framework will be implemented in conjunction with Initiative 1 to ensure it is in place for projects benefitting from new zoning permissions.

Initiative	Due Date	Status
	29/03/2024	Completed
Milestones	Due Date	Status
Implement a new IZ framework in MTSA West	29/03/2024	Completed