

Comparison of Costs of Home Ownership and Renting

Independent Real Estate Intelligence

FINAL REPORT

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Comparison of Costs of Home Ownership and Renting

Prepared for:

**Federation of Rental-Housing Providers of Ontario
(FRPO)**

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EXECUTIVE SUMMARY

Altus Group Economic Consulting was retained by the Federation of Housing Providers of Ontario (“FRPO”) to compare the cost of homeownership to rental housing in seven (7) municipalities across southern Ontario.

This report compares the monthly cost of owning versus renting, with two unit types used as the basis for the comparison – a two-bedroom apartment unit and a townhouse unit.

The monthly costs of ownership considered in the study include mortgage payments, property taxes, maintenance and utility fees, and homeowner insurance. The report also considers a calculation which accounts for the principal portion of the owner’s on-going mortgage payments, to better compare the net costs of ownership and renting.

The cost of homeownership was modeled over three interest rate scenarios (3%, 4% and 5%) to account for the changing interest rate environment, and the various options for structuring a mortgage which can allow for a range of interest rates.

Based on our modelling, we have the following primary findings:

- The monthly costs of renting is lower than the total monthly costs of homeownership for both housing types modelled and all interest rate scenarios;
- There is still a longer-term benefit to owing as compared to renting, after accounting for the equity earned from the repayment of the mortgage principal in the lower interest rate scenarios. However, as interest rates rise, the lower net costs of ownership would be eroded; and
- Affordable housing is defined in provincial policy as being housing that costs no more than 30% for households with low-to-moderate income (defined as 60th percentile incomes). Based on this definition, the monthly costs of renting meets the definition of ‘affordable’ in almost all the municipalities studied. Conversely, the monthly costs of owning are not affordable to these households in any of the municipalities.

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1 INTRODUCTION

1.1 Background

Altus Group Economic Consulting was retained by the Federation of Housing Providers of Ontario (“FRPO”) to compare the cost of homeownership to rental housing in seven (7) municipalities across Ontario.

Figure 1

Municipality	Renter Household as Share of Total Households (2016)	Rental Tenure Housing Completions as % of Total – 2017-2021
Kingston	40.4%	39.5%
London	39.9%	38.3%
Kitchener	37.9%	22.7%
Windsor	36.5%	14.7%
St. Catharines	33.3%	19.4%
Barrie	28.9%	6.7%
Mississauga	27.7%	8.9%

In the seven municipalities studied, between 27% and 40% of households rent their dwelling, however the proportion of housing completions that were purpose-built rental units over the past five years (2017-2021) was lower than the proportion of renter households in each municipality.

1.2 Methodology

This report makes two separate comparisons of the cost of housing ownership to renting:

- **Base Monthly Cost:** A comparison of the total monthly costs of renting with the costs of ownership, based on an estimate of total monthly shelter costs to the end users; and

- **Net Monthly Cost:** Total ownership costs less the principal portion of mortgage payments, to be referred to as “Net Monthly Cost”.

The rationale for the Net Monthly Cost calculation is that the principal portion of mortgage payments equates to equity (or savings) for the homeowner, rather than being a pure cost like the interest components of mortgage repayment is.

General price appreciation in the value of the home can also help the homeowner build equity over and above the amount of principal paid, however the equity earnings from price appreciation have not been considered in this report.¹

1.3 Caveat

Altus Group Economic Consulting has made every effort to be as accurate as possible, however, this report is not meant as a guide for investment or any other purposes. MLS data taken assumes that listings details were filled out accurately.

2 GENERAL ASSUMPTIONS

2.1 Housing Types

This report compares the monthly cost of owning versus renting, with the costs of owning and renting estimated for the two unit types used as the basis for the comparison – a two-bedroom apartment unit and a townhouse unit. These housing types were chosen because they are the most affordable options for young families.

2.2 Pricing / Rents

Figure 2 shows the assumed prices and rents for each unit type in each of the study municipalities. The estimated sale prices were based on a sample of recently sold housing units in each municipality.

¹ It is assumed for the purposes of this report, that in the early years of a 25-year mortgage term that the general price appreciation of a home in a 1-to-5-year span would be equalled by the costs of extracting that equity through a home sale, such as land transfer taxes, real estate commissions, mortgage fees, etc.

The assumed monthly rent for purpose-built rentals was taken from the Canadian Mortgage and Housing Corporation (“CMHC”) Rental Market Report which estimates average asking rents for vacant units. In determining the average rent for units in the secondary rental market, data was obtained on asking rents for listed units on the secondary market.

Figure 2

Summary of Modelling Assumptions, Ownership Prices and Rents, Studied Municipalities

Municipality	Price Assumptions		Rent Assumptions		
	Townhouse	Apartment (2-Bedroom)	Townhouse	Apartment (2-Bedroom)	
				Purpose-Built Rental	Secondary Rental
	<i>Dollars per Unit</i>		<i>Dollars per Month</i>		
Windsor	499,000	375,000	2,200	1,113	2,067
St. Catharines	558,000	522,000	2,153	1,512	2,287
Barrie	599,000	521,000	2,202	1,873	2,120
London	543,000	435,000	2,127	1,318	1,909
Kitchener	580,000	501,000	2,154	1,532	1,943
Kingston	458,000	442,000	2,388	1,407	2,231
Mississauga	784,000	613,000	2,630	2,001	2,320

Source: Altus Group Economic Consulting

2.3 Additional Monthly Costs

The monthly costs of ownership include mortgage payments, property taxes, maintenance and utility fees, and homeowner insurance. Multiple Listing Services (“MLS”) data was used to obtain data on monthly operational costs such as maintenance/utilities fees, and property taxes. Statistics Canada data on household spending was used when data was missing.

For each type of rental accommodation, it is assumed that maintenance and utility costs are embedded in the monthly rents.

2.4 Mortgage Terms and Interest Rates

The analysis reviews a mortgage with the value of the principal amortized over a 25-year period. A 10% downpayment was assumed. The mortgage would require loan insurance, which would be added to the mortgage amount and amortized over 25 years. The amount of the mortgage insurance premium is based on current CMHC rates applicable for the assumed downpayment in the ownership scenario.

This report considers monthly mortgage costs under three interest rate scenarios – 3.0%, 4.0% and 5.0%. The interest rate scenarios are meant to

capture the variation in interest rates that homebuyers can choose from and the possibility that mortgage rates will rise in the next few years. It is anticipated that interest rates will continue to rise in the coming months.

3 FINDINGS

This section provides the summary of the findings by unit type. Details regarding each individual municipality are presented in the appendix to this report.

3.1 Two-Bedroom Apartments

3.1.1 Results by Scenario

Figure 3 below summarizes the monthly costs of ownership and renting for a 2-bedroom apartment in each of the seven study municipalities.

In comparing the base monthly costs of ownership versus renting, the overall cost of renting a 2-bedroom apartment in a purpose-built rental or condo building is significantly lower than the total base cost of ownership of a same unit in a condo building at all interest rate levels:

- The cost of monthly rents in a purpose-built rental building amount to only 40% to 60%, or roughly half the estimated monthly ownership costs of each unit type; and
- The cost of monthly rents for units rented in the secondary market are typically in the range of 60-80% of the total monthly ownership costs of each unit type.

In comparing the net monthly costs of ownership versus renting a 2-bedroom apartment, the analysis shows that:

- Rents on a purpose-built rental apartment are roughly 20-50% lower than the net ownership costs on a 2-bedroom apartment unit for all interest rate scenarios, except in Mississauga at the lowest interest rate scenario;
- Monthly rents for units on the secondary rental market are higher than the net cost of ownership at lower interest rates. Rents would be lower than the net cost of ownership when assuming a 4% or higher interest rate.

Figure 3 **Summary of Costs for Ownership and Renting
2-Bedroom Apartment**

		Ow nership Costs per Month					
		Base Costs			Net Costs (less Principal Payments)		
		3%	4%	5%	3%	4%	5%
<u>Municipality</u>		<i>Dollars</i>					
Windsor		2,618	2,924	3,002	1,779	2,129	2,341
St Catharines		3,369	3,629	3,903	2,200	2,588	2,982
Barrie		3,489	3,749	4,023	2,321	2,709	3,102
London		2,828	3,044	3,273	1,853	2,177	2,505
Kitchener		3,295	3,544	3,807	2,173	2,545	2,923
Kingston		3,066	3,286	3,519	2,076	2,405	2,738
Mississauga		3,748	4,053	4,376	2,375	2,831	3,294

		Rent Costs as % of Ow nership Scenarios					
		Base Monthly Costs			Net Monthly Costs		
		3%	4%	5%	3%	4%	5%
<u>Municipality</u>	<u>Monthly Rent - Purpose-Built Rental</u>	<i>Percent</i>					
	<i>\$/ Month</i>						
Windsor	1,130	43%	39%	38%	64%	53%	48%
St Catharines	1,529	45%	42%	39%	70%	59%	51%
Barrie	1,890	54%	50%	47%	81%	70%	61%
London	1,335	47%	44%	41%	72%	61%	53%
Kitchener	1,549	47%	44%	41%	71%	61%	53%
Kingston	1,424	46%	43%	40%	69%	59%	52%
Mississauga	2,018	54%	50%	46%	85%	71%	61%

		Rent Costs as % of Ow nership Scenarios					
		Base Monthly Costs			Net Monthly Costs		
		3%	4%	5%	3%	4%	5%
<u>Municipality</u>	<u>Monthly Rent - Secondary Market</u>	<i>Percent</i>					
	<i>\$/ Month</i>						
Windsor	2,084	80%	71%	69%	117%	98%	89%
St Catharines	2,304	68%	63%	59%	105%	89%	77%
Barrie	2,137	61%	57%	53%	92%	79%	69%
London	1,926	68%	63%	59%	104%	88%	77%
Kitchener	1,960	59%	55%	51%	90%	77%	67%
Kingston	2,248	73%	68%	64%	108%	93%	82%
Mississauga	2,337	62%	58%	53%	98%	83%	71%

Source: Altus Group Economic Consulting

3.1.2 Comparing Monthly Costs to Definition of Housing Affordability

A common benchmark used to assess housing affordability is whether monthly shelter costs are above 30% of the gross annual household income for low-to-middle income earning households. The table below compares monthly costs of ownership in a condo building to rent for a two-bedroom apartment in each municipality alongside median family incomes to assess whether they are affordable by this definition.

Total costs in each ownership scenario exceeds the 30% affordability benchmark. Almost all rent scenarios are below the 30% benchmark, except for in the secondary rental market in St. Catharine's and Mississauga.

Figure 4 Comparison of Median Family Income to Average Monthly Costs of Ownership and Renting, 2-Bedroom Apartment

Municipality	Annual Median Family Income	Monthly Family Income	30% of Monthly Family Income		
	Dollars	\$ / Month			
Windsor	86,750	7,229	2,169		
St Catharines	82,710	6,893	2,068		
Barrie	94,270	7,856	2,357		
London	88,240	7,353	2,206		
Kitchener	96,420	8,035	2,411		
Kingston	97,140	8,095	2,429		
Mississauga	89,150	7,429	2,229		

Municipality	Monthly Costs				
	Base Cost Scenario			Rent - Purpose-Built	Rent - Secondary Market
	3% Mortgage Rate	4% Mortgage Rate	5% Mortgage Rate		
	<i>Dollars per Month</i>				
Windsor	2,618	2,924	3,002	1,130	2,084
St Catharines	3,369	3,629	3,903	1,529	2,304
Barrie	3,489	3,749	4,023	1,890	2,137
London	2,828	3,044	3,273	1,335	1,926
Kitchener	3,295	3,544	3,807	1,549	1,960
Kingston	3,066	3,286	3,519	1,424	2,248
Mississauga	3,748	4,053	4,376	2,018	2,337

Municipality	Monthly Costs as % of Monthly Income				
	Base Cost Scenario			Rent - Purpose-Built	Rent - Secondary Market
	3% Mortgage Rate	4% Mortgage Rate	5% Mortgage Rate		
	<i>Percent</i>				
Windsor	36%	40%	42%	16%	29%
St Catharines	49%	53%	57%	22%	33%
Barrie	44%	48%	51%	24%	27%
London	38%	41%	45%	18%	26%
Kitchener	41%	44%	47%	19%	24%
Kingston	38%	41%	43%	18%	28%
Mississauga	50%	55%	59%	27%	31%

Source: Altus Group Economic Consulting and Statistics Canada

While we showed that there may be some positive economic benefits to homeownership, Figure 4 highlights that it is not possible for low-to-middle-income households to realize these benefits because the total cost of homeownership is too expensive.

3.2 Townhouses

3.2.1 Results by Scenario

Figure 5 below summarizes the results of modelling the monthly costs of ownership for a townhome (including freeholds and condos) and renting a purpose-built rental townhouse unit in each of the seven study municipalities.

When the costs of renting a townhouse are compared to the costs of owning a similar unit, the base costs of renting imposes substantially lower costs on the household than ownership does under all mortgage rate scenarios.

When the costs of renting are compared to the net cost of ownership, renting is more expensive at an interest rate of 3%.

As interest rates increase, the costs of renting will become more affordable to the end user, as in our model, even the net cost of owning is higher than rents in six of the seven municipalities when assuming a mortgage rate of 4%. Rents are lower than the net cost of owning in all municipalities studied at an interest rate of 5%.

Figure 5 **Summary of Costs for Ownership and Renting
Townhouse**

		Ownership Costs per Month					
		Base Costs			Net Costs (less Principal Payments)		
		3%	4%	5%	3%	4%	5%
<u>Municipality</u>		<i>Dollars</i>					
Windsor		3,166	3,414	3,677	2,048	2,420	2,796
St Catharines		3,345	3,623	3,916	2,094	2,510	2,931
Barrie		3,510	3,808	4,123	2,168	2,614	3,066
London		3,239	3,509	3,795	2,022	2,426	2,836
Kitchener		3,426	3,714	4,020	2,125	2,557	2,995
Kingston		3,000	3,228	3,470	1,973	2,314	2,660
Mississauga		4,502	4,893	5,306	2,744	3,328	3,920
		Rent Costs as % of Ownership Scenarios					
		Base Monthly Costs			Net Monthly Costs		
<u>Municipality</u>	<u>Monthly Rent</u>	3%	4%	5%	3%	4%	5%
	<i>\$/ Month</i>	<i>Percent</i>					
Windsor	2,217	70%	65%	60%	108%	92%	79%
St Catharines	2,170	65%	60%	55%	104%	86%	74%
Barrie	2,219	63%	58%	54%	102%	85%	72%
London	2,144	66%	61%	56%	106%	88%	76%
Kitchener	2,171	63%	58%	54%	102%	85%	72%
Kingston	2,405	80%	74%	69%	122%	104%	90%
Mississauga	2,647	59%	54%	50%	96%	80%	68%

Source: Altus Group Economic Consulting

3.2.2 Comparing Monthly Costs to Definition of Housing Affordability

Figure 6 compares the monthly costs of owning and renting a townhouse in each municipality with the 30% affordability benchmark.

In all scenarios, the monthly costs of owning a townhouse exceeds the 30% benchmark. Even if there is the potential for the benefit of home equity generated for the homeowner, it would be difficult for low-to-moderate income households to afford the costs of ownership as the estimated monthly costs are well in excess of what could be considered affordable.

Figure 6

Comparison of Median Family Income to Average Monthly Costs of Ownership and Renting, Townhouse

Municipality	Annual Median Family Income	Monthly Family Income	30% of Monthly Family Income	
	Dollars	\$ / Month		
Windsor	86,750	7,229	2,169	
St Catharines	82,710	6,893	2,068	
Barrie	94,270	7,856	2,357	
London	88,240	7,353	2,206	
Kitchener	96,420	8,035	2,411	
Kingston	97,140	8,095	2,429	
Mississauga	89,150	7,429	2,229	

Municipality	Monthly Costs			
	Base Cost Scenario			
	3% Mortgage Rate	4% Mortgage Rate	5% Mortgage Rate	Rent
	Dollars per Month			
Windsor	3,166	3,414	3,677	2,217
St Catharines	3,345	3,623	3,916	2,170
Barrie	3,510	3,808	4,123	2,219
London	3,239	3,509	3,795	2,144
Kitchener	3,426	3,714	4,020	2,171
Kingston	3,000	3,228	3,470	2,405
Mississauga	4,502	4,893	5,306	2,647

Municipality	Monthly Costs as % of Monthly Income			
	Base Cost Scenario			
	3% Mortgage Rate	4% Mortgage Rate	5% Mortgage Rate	Rent
	Percent			
Windsor	44%	47%	51%	31%
St Catharines	49%	53%	57%	31%
Barrie	45%	48%	52%	28%
London	44%	48%	52%	29%
Kitchener	43%	46%	50%	27%
Kingston	37%	40%	43%	30%
Mississauga	61%	66%	71%	36%

Source: Altus Group Economic Consulting and Statistics Canada

The rents for townhouses in three of the seven municipalities exceeds the 30% benchmark, but only marginally so in two of the cases (31% in Windsor and St. Catharines). Four of the seven municipalities have rents for townhouses below the 30% benchmark.

4 CONCLUSION

In every instance examined, the base monthly costs of homeownership are higher than renting, and in many cases, significantly so. This is based on analysis and comparisons of monthly costs for both renting and owning purpose-built rental apartments, apartment units on the secondary market (usually condominium apartments rented by their owners), and townhouse units.

Based on the provincial definition of affordable housing, which states that housing costs should not exceed 30% of gross annual household income for a low-to-moderate income earning household, the base monthly costs of homeownership is not an affordable option at any interest rate level.

Purpose-built rentals remain affordable to the median income-earning household in all seven of the municipalities studied, and rental units in the secondary market are affordable to medium income-earning households in five of the seven municipalities (St. Catharines and Mississauga being the two exceptions).

However, when the portion of mortgage costs associated with principal repayment are deducted from monthly costs, 'net' ownership costs are less than rents in most municipalities studied. However, this finding is highly vulnerable to mortgage rate increases and dependent on continued escalation of home prices.

None of the prices used in the analysis for ownership apartment units or townhouses are affordable to median income-earning households. In many cases the base monthly costs exceed 40% or more, reaching a high of 70% in the City of Mississauga. Even if there are some benefits to owning over renting, attaining homeownership would be difficult for low-to-moderate income earning households.

Appendix A
Detailed Calculations by Municipality

The following figures provide a detailed breakdown of the cost of ownership and rent for each municipality, housing type and interest rate scenario. The data looks at the cost of:

- Rent on a two-bedroom apartment in a purpose-built rental versus the cost of ownership of a two-bedroom apartment in a condominium at three interest rate scenarios; and
- Rent on a townhome in a purpose-built rental complex relative to the cost of owning a townhouse, condo or freehold.

KINGSTON

Figure A-1 **Costs of Ownership versus Renting**
Kingston

	Own (by Interest Rate Assumption)			Rent	
	3%	4%	5%	Secondary Market ¹	Purpose-Built Rental ²
2-Bedroom Apartment					
Principal ³			<i>Dollars</i>		
Interest ³	991	881	780		
Maintenance, Utilities, Taxes and Insurance	954	1,283	1,617		
Rent	1,122	1,122	1,122	17	17
				2,231	1,407
Base Comparison	3,066	3,286	3,519	2,248	1,424
Rent to Ownership Costs:					
<i>Secondary Market Rent</i>	73.3%	68.4%	63.9%		
<i>Purpose-Built Rent</i>	46.4%	43.3%	40.5%		
Net Cost Comparison	2,076	2,405	2,738	2,248	1,424
Tow nhouse					
Principal ³					
Interest ³	1,027	914	809		
Maintenance, Utilities, Taxes and Insurance	989	1,331	1,677		
Rent	984	984	984	17	17
				2,388	1,706
Base Comparison	3,000	3,228	3,470	2,405	1,723
Rent to Ownership Costs:					
<i>Secondary Market Rent</i>	80.1%	74.5%	69.3%		
<i>Purpose-Built Rent</i>	57.4%	53.4%	49.7%		
Net Cost Comparison	1,973	2,314	2,660	2,405	

1. Based on market comparables

2. CMHC data on asking price for vacant units

3. Principal and Interest are calculated as the monthly average over a five year period.

Source: Altus Group Economic Consulting, based on CMHC Rental Data, MLS Housing Sales Data, Altus Data Studio, HouseSigma, Ratehub

LONDON

Figure A- 2 **Costs of Ownership versus Renting**
London

	Own (by Interest Rate Assumption)			Rent	
	3%	4%	5%	Secondary Market ¹	Purpose-Built Rental ²
2-Bedroom Apartment					
Principal ³	974	867	768		
Interest ³	938	1,262	1,590		
Maintenance, Utilities, Taxes and Insurance	915	915	915	17	17
Rent				1,909	1,318
Base Comparison	2,828	3,044	3,273	1,926	1,335
Rent to Ownership Costs:					
<i>Secondary Market Rent</i>	68.1%	63.3%	58.8%		
<i>Purpose-Built Rent</i>	47.2%	43.9%	40.8%		
Net Cost Comparison	1,853	2,177	2,505	1,926	1,335
Townhouse					
Principal ³	1,217	1,083	959		
Interest ³	1,172	1,576	1,986		
Maintenance, Utilities, Taxes and Insurance	850	850	850	17	17
Rent				2,127	1,703
Base Comparison	3,239	3,509	3,795	2,144	1,720
Rent to Ownership Costs:					
<i>Secondary Market Rent</i>	66.2%	61.1%	56.5%		
<i>Purpose-Built Rent</i>	53.1%	49.0%	45.3%		
Net Cost Comparison	2,022	2,426	2,836	2,144	

1. Based on market comparables

2. CMHC data on asking price for vacant units

3. Principal and Interest are calculated as the monthly average over a five year period.

Source: Altus Group Economic Consulting, based on CMHC Rental Data, MLS Housing Sales Data, Altus Data Studio, HouseSigma, Ratehub

KITCHENER

Figure A-3 **Costs of Ownership versus Renting**
Kitchener

	Own (by Interest Rate Assumption)			Rent	
	3%	4%	5%	Secondary Market ¹	Purpose-Built Rental ²
2-Bedroom Apartment					
Principal ³	1,122	998	884		
Interest ³	1,081	1,454	1,831		
Maintenance, Utilities, Taxes and Insurance	1,092	1,092	1,092	17	17
Rent				1,943	1,532
Base Comparison	3,295	3,544	3,807	1,960	1,549
Rent to Ownership Costs:					
<i>Secondary Market Rent</i>	59.5%	55.3%	51.5%		
<i>Purpose-Built Rent</i>	47.0%	43.7%	40.7%		
Net Cost Comparison	2,173	2,545	2,923	1,960	1,549
Townhouse					
Principal	1,301	1,157	1,025		
Interest	1,253	1,685	2,123		
Maintenance, Utilities, Taxes and Insurance	872	872	872	17	17
Rent				2,154	1,504
Base Comparison	3,426	3,714	4,020	2,171	1,521
Rent to Ownership Costs:					
<i>Secondary Market Rent</i>	63.4%	58.4%	54.0%		
<i>Purpose-Built Rent</i>	44.4%	40.9%	37.8%		
Net Cost Comparison	2,125	2,557	2,995	2,171	

1. Based on market comparables

2. CMHC data on asking price for vacant units

3. Principal and Interest are calculated as the monthly average over a five year period.

Source: Altus Group Economic Consulting, based on CMHC Rental Data, MLS Housing Sales Data, Altus Data Studio, HouseSigma, Ratehub

MISSISSAUGA

Figure A- 4 **Costs of Ownership versus Renting**
Mississauga

	Own (by Interest Rate Assumption)			Rent	
	3%	4%	5%	Secondary Market ¹	Purpose-Built Rental ²
2-Bedroom Apartment					
Principal ³	1,373	1,222	1,082		
Interest ³	1,323	1,779	2,241		
Maintenance, Utilities, Taxes and Insurance	1,052	1,052	1,052	17	17
Rent				2,320	2,001
Base Comparison	3,748	4,053	4,376	2,337	2,018
Rent to Ownership Costs:					
<i>Secondary Market Rent</i>	62.3%	57.7%	53.4%		
<i>Purpose-Built Rent</i>	53.8%	49.8%	46.1%		
Net Cost Comparison	2,375	2,831	3,294	2,337	2,018
Tow nhouse					
Principal ³	1,758	1,564	1,385		
Interest ³	1,693	2,277	2,869		
Maintenance, Utilities, Taxes and Insurance	1,051	1,051	1,051	17	17
Rent				2,630	1,874
Base Comparison	4,502	4,893	5,306	2,647	1,891
Rent to Ownership Costs:					
<i>Secondary Market Rent</i>	58.8%	54.1%	49.9%		
<i>Purpose-Built Rent</i>	42.0%	38.7%	35.6%		
Net Cost Comparison	2,744	3,328	3,920	2,647	

1. Based on market comparables

2. CMHC data on asking price for vacant units

3. Principal and Interest are calculated as the monthly average over a five year period.

Source: Altus Group Economic Consulting, based on CMHC Rental Data, MLS Housing Sales Data, Altus Data Studio, HouseSigma, Ratehub

WINDSOR

Figure A- 5 **Costs of Ownership versus Renting**
Windsor

	<u>Own (by Interest Rate Assumption)</u>			<u>Rent</u>	
	<u>3%</u>	<u>4%</u>	<u>5%</u>	<u>Secondary Market¹</u>	<u>Purpose-Built Rental²</u>
2-Bedroom Apartment					
			<i>Dollars</i>		
Principal ³	840	796	662		
Interest ³	809	1,159	1,370		
Maintenance, Utilities, Taxes and Insurance	970	970	970	17	17
Rent				2,067	1,113
Base Comparison	2,618	2,924	3,002	2,084	1,130
Rent to Ownership Costs:					
<i>Secondary Market Rent</i>	79.6%	71.3%	69.4%		
<i>Purpose-Built Rent</i>	43.2%	38.6%	37.6%		
Net Cost Comparison (Excluding Principal)	1,779	2,129	2,341	2,084	1,130
Tow nhouse					
Principal ³	1,118	1,296	881		
Interest ³	1,077	1,887	1,825		
Maintenance, Utilities, Taxes and Insurance	971	971	971	17	17
Rent				2,200	1,406
Base Comparison	3,166	4,155	3,677	2,217	1,423
Rent to Ownership Costs:					
<i>Secondary Market Rent</i>	70.0%	53.4%	60.3%		
<i>Purpose-Built Rent</i>	44.9%	34.2%	38.7%		
Net Cost Comparison	2,048	2,859	2,796	2,217	

1. Based on market comparables

2. CMHC data on asking price for vacant units

3. Principal and Interest are calculated as the monthly average over a five year period.

Source: Altus Group Economic Consulting, based on CMHC Rental Data, MLS Housing Sales Data, Altus Data Studio, HouseSigma, Ratehub

ST. CATHARINES

Figure A- 6

Costs of Ownership versus Renting St. Catharines

	Own (by Interest Rate Assumption)			Rent	
	3%	4%	5%	Secondary Market ¹	Purpose-Built Rental ²
2-Bedroom Apartment					
Principal ³	1,169	1,040	921		
Interest ³	1,126	1,514	1,908		
Maintenance, Utilities, Taxes and Insurance	1,074	1,074	1,074	17	17
Rent				2,287	1,512
Base Comparison	3,369	3,629	3,903	2,304	1,529
Rent to Ownership Costs:					
Secondary Market Rent	68.4%	63.5%	59.0%		
Purpose-Built Rent	45.4%	42.1%	39.2%		
Net Cost Comparison	2,200	2,588	2,982	2,304	1,529
Townhouse					
Principal ³	1,251	1,113	985		
Interest ³	1,204	1,620	2,041		
Maintenance, Utilities, Taxes and Insurance	890	890	890	17	17
Rent				2,153	1,300
Base Comparison	3,345	3,623	3,916	2,170	1,317
Rent to Ownership Costs:					
Secondary Market Rent	64.9%	59.9%	55.4%		
Purpose-Built Rent	39.4%	36.4%	33.6%		
Net Cost Comparison	2,094	2,510	2,931	2,170	

1. Based on market comparables

2. CMHC data on asking price for vacant units

3. Principal and Interest are calculated as the monthly average over a five year period.

Source: Altus Group Economic Consulting, based on CMHC Rental Data, MLS Housing Sales Data, Altus Data Studio, HouseSigma, Ratehub

BARRIE

Figure A-7 **Costs of Ownership versus Renting**
Barrie

	<u>Own (by Interest Rate Assumption)</u>			<u>Rent</u>	
	3%	4%	5%	Secondary Market ¹	Purpose-Built Rental ²
2-Bedroom Apartment					
Principal ³	1,168	1,040	921		
Interest ³	1,125	1,514	1,907		
Maintenance, Utilities, Taxes and Insurance	1,195	1,195	1,195	17	17
Rent				2,120	1,873
Base Comparison	3,489	3,749	4,023	2,137	1,890
Rent to Ownership Costs:					
<i>Secondary Market Rent</i>	61.2%	57.0%	53.1%		
<i>Purpose-Built Rent</i>	54.2%	50.4%	47.0%		
Net Cost Comparison	2,321	2,709	3,102	2,137	1,890
Townhouse					
Principal ³	1,342	1,194	1,057		
Interest ³	1,292	1,738	2,190		
Maintenance, Utilities, Taxes and Insurance	876	876	876	17	17
Rent				2,202	1,858
Base Comparison	3,510	3,808	4,123	2,219	1,875
Rent to Ownership Costs:					
<i>Secondary Market Rent</i>	63.2%	58.3%	53.8%		
<i>Purpose-Built Rent</i>	53.4%	49.3%	45.5%		
Net Cost Comparison	2,168	2,614	3,066	2,219	

1. Based on market comparables

2. CMHC data on asking price for vacant units

3. Principal and Interest are calculated as the monthly average over a five year period.

Source: Altus Group Economic Consulting, based on CMHC Rental Data, MLS Housing Sales Data, Altus Data Studio, HouseSigma, Ratehub