

Schedule D: Rental Market Trends and Growth Pressures

1. Shifting Rental Landscape

Ontario's rental housing system has undergone a significant transformation. Historically, renters—especially in urban and suburban areas—were accommodated in purpose-built rental (PBR) buildings designed for long-term tenancy and subject to comprehensive oversight. However, construction of new PBRs has declined sharply.

In their place, the **secondary rental market**—investor-owned condos, basement apartments, and single family dwellings—has filled the gap. Since 2000, over 90% of new rental units in the GTA have come from this informal sector, which often lacks the regulatory safeguards found in traditional rental housing. This trend is reflected in Caledon, where since 2021, Additional Residential Unit (ARU) permits have increased sharply.

- Caledon currently has approximately 585 rental units through purpose built rentals ([Housing Needs Assessment](#));
- 90% of purpose-built rentals in Ontario were built before 1980 ([Urbanation & FRPO, 2023](#));
- Only 23,600 units were added between 2000-2022, compared to 223,000 between 1960-1979 ([Urbanation & FRPO, 2023](#));
- Between 2012 and 2022, condominiums made up nearly 90% of all new apartment completions and contributed more than half of the region's rental supply growth, while purpose-built rental construction increased by less than 5% ([Urbanation & FRPO, 2023](#)).

2. Population Growth vs. Housing Development

Over the past decade, Ontario has experienced historic levels of population growth driven by both international immigration and interprovincial migration. This has placed unprecedented pressure on the housing market, particularly in urban and suburban regions like the Greater Toronto Area (GTA).

Population Growth

- Caledon's population grew from 66,502 in 2016 to 76,581 in 2021. As of 2025, the Town's estimated population is approximately 90,600, a 31% increase since 2016 ([Caledon Demographics](#)).
- Between 2016 and 2024, Ontario's population grew by over 2 million people, with annual growth accelerating dramatically post-2022 due to increased federal immigration targets ([Statistics Canada, 2024](#)).

3. Housing Supply and Affordability

The Canada Mortgage and Housing Corporation (CMHC) projects that to restore housing affordability by 2035, Canada must build 430,000 to 480,000 homes annually—well above current levels. Ontario alone requires 1.54 million new homes by 2030, up from previous estimates ([CMHC, 2025](#)). Yet in 2024, only about 88,000 units were completed—far short of the ~150,000 needed per year.

Key findings for Ontario:

- Ontario needs 1.54 million additional homes by 2030 (up from 1.48 million in the 2023 estimate) to restore affordability to early 2000s levels ([CMHC, 2025](#)).

- In 2024, Ontario completed approximately 88,000 housing units, a modest increase over 2023 but still well below the annual target of ~150,000 needed to close the gap.
- The Federal Government's Housing Accelerator Fund (HAF) aims to fast-track the supply of housing across Canada in response to the national housing shortage. Caledon was the successful recipient of \$14M through the fund, conditional on the delivery of eight initiatives that realize 2,628 housing units by December 11, 2027. This proposed licensing bylaw is an explicit deliverable of the Town's contribution agreement.