

Affordability Analysis for Potential Tenants

Instructions

Tenants are usually required to make monthly rental payments. They are also responsible for housing costs that they may not be required to make in their current accommodation (e.g. heating, hydro). An affordability analysis is an important part of the application package, as it will help both the housing department and the applicant confirm whether the applicant can afford to make the rental payment and pay other housing costs. The housing staff should help the applicant complete the form.

What Housing Costs Can I Afford?

Applicant Name:

Date of Interview:

Step 1: Determine Monthly Household Income

List the regular NET monthly income (after deductions) from all sources of all permanent adult members who will be living in the unit. The exception is income earned by dependants who are attending school full time.

Net Monthly Income	Average Monthly Income Amount
Net employment income (income after taxes and deductions)	
Social assistance benefits	
Pension benefits	
Employment Insurance benefits	
Alimony, child support	
Other income	
Total net monthly income	\$0.00

Step 2: Expected Monthly Housing Expenses

This section will be completed with a representative of the housing department, who will provide the average housing expenses one can expect to pay based on the average costs for the type of housing being applied for. The information provided should be based on the past year's average operating costs for the unit being applied for, or similar costs (e.g. average heating costs).

Expected Housing-Related Expenses	Average Monthly Amount
Rent / loan payment / occupancy charge, maintenance fee	
Utilities (if paid separately, including hydro, water/sewer, garbage pick-up, etc.)	
Insurance	
Repairs and maintenance	
Other costs (specify)	
Total monthly housing-related expenses	\$0.00

Step 3: Determine Non-Housing Expenses

Calculate all current monthly expenses not related to housing.

Current Non-Housing Expenses	Average Monthly Amount
Groceries	
Clothing	
Child care, school/sporting fees and related expenses	
Phone, cable, internet	
Insurance (house, car, medical)	
Car/truck loan payment	
Gas and other transportation costs, including car repairs	
Personal loan payments	
Credit card payments	
Entertainment	
Other debts	
Savings	
Total monthly non-housing expenses	\$0.00

Step 4: Affordability (Amount Remaining)

Take the net monthly income from Step 1, then deduct the monthly amount of housing expenses noted in Step 2, then deduct the applicant's non-housing monthly expenses from Step 3. This will demonstrate whether an applicant can afford the monthly housing payment and other related housing costs, as well as current non-housing expenses.

	Total net monthly income from Step 1	\$0.00
<i>Minus</i>	Total monthly housing-related expenses from Step 2	\$0.00
<i>Equals</i>	Amount available for monthly non-housing expenses	\$0.00
<i>Minus</i>	Total monthly non-housing expenses from Step 3	\$0.00
<i>Equals</i>	Difference	\$0.00

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Total net monthly income from Step 1 (A)	\$0.00
Total expenses from Step 2 plus Step 3 (B)	\$0.00
Total expenses as a percentage of total income (B ÷ A)	#DIV/0!