



REPORT

TO: Mayor Bonnette and Members of Council

FROM: Keith Hamilton – Planner, Policy
Nicole Pal - Economic Development and Special Projects
Coordinator

DATE: July 21, 2021

REPORT NO.: PD-2021-0047

SUBJECT: Halton Region State of Housing Report 2020

RECOMMENDATION:

THAT Report No. PD-2021-0047 dated July 21, 2021, regarding the Halton Region 2020 State of Housing Report be received for information.

KEY POINTS:

The following are key points for consideration with respect to this report:

- Halton Hills added 31 new housing units in 2020, 23 single detached and 8 townhouses.
- In 2020, there were 353 new housing units under construction, more than half of which are apartments.
- The average cost of a new build home in Halton Hills was \$876,930 in 2020, while the average resale home price was \$905,440.
- The rental vacancy rate in Halton Hills was 1.9 per cent in 2020, which is up by 0.4 per cent from 2019.
- The average rent was \$1,245, the lowest among the four area municipalities.
- Multiple projects and initiatives are underway locally to provide more affordable housing options.

BACKGROUND AND DISCUSSION:

The State of Housing Report is prepared by Halton Region staff on an annual basis. The report contains valuable data regarding housing within Halton and its four local municipalities: Burlington, Halton Hills, Milton, and Oakville.

The State of Housing Report provides a review of housing supply and demand in Halton Region. It also monitors how well the Region is implementing its vision for managed and sustainable growth, as set out in the Halton Regional Official Plan, Provincial Growth Plan, and Provincial Policy Statement.

Halton Region's targets include:

- At least 50 per cent¹ of new housing units produced annually to be in the form of townhouses or multi-storey buildings; and
- At least 30 per cent of new housing units produced annually to be affordable or assisted housing.

Results of the report have been summarized with specific attention given to Halton Hills in comparison to the Region and other regional municipalities. The 2020 State of Housing Report can be found in its entirety in Appendix 1 at the end of this report.

Housing Completions

In Halton Hills, a total of 31 new units were added in 2020, a decline from the 164 that were added in 2019. Among the four area municipalities, Burlington and Milton both saw much lower completion totals in 2020, while Oakville more than doubled its total from the year before. Among the units completed in Halton Hills, 23 were single detached, while 8 were townhouses. Similar to the past few years, ongoing developments in Georgetown South, such as the Halton Hills Village Homes Inc. (Remington Homes) development (approved in 2018), continue to account for the majority of ground-related unit completions in Halton Hills.

Region-wide, 3,338 units were completed in 2020, up slightly (4 per cent) from 2019 (see Figure 1). Housing completions were driven largely by development in Oakville, whose 1,898 new units made up 58 per cent of the Halton total. Apartment completions represented 42 per cent of the Region total, with townhouses at 28 per cent, and singles and semis making up the remaining 30 per cent.

Housing Mix Target

The Region's Housing Mix Target calls for at least 50 per cent of new housing units produced annually in Halton to be in the form of townhouses or multi-storey buildings (higher density housing). As is identified in the Region's State of Housing report, the share of apartments and townhouses built in the Region in 2020 was higher (70 per cent) than what was reported in 2019 (55 per cent), largely due to increases in apartments and most notably, townhouse development, which increased by 62 per cent region-wide.

¹ The Region of Halton is currently undertaking an Official Plan Review which could result in changes to these targets.

In Halton Hills, 2020 saw the return of townhouse completions for the first time since 2017. While only 31 units were added locally in 2020, it should be noted that Halton Hills also reported a total of 353 new housing units under construction. More than half of this will be apartment units (185), with another 126 single detached units under construction, as shown in Figure 2. These numbers suggest that greater housing diversity should be expected in the coming years.

Figure 1 – Halton Region Housing Completions, 2020

	Halton Region	%	Burlington	Halton Hills	Milton	Oakville
Apartment	1,415	42.4%	379	0	213	823
Townhouse	932	27.9%	76	8	348	500
Semi-detached	80	2.4%	0	0	78	2
Single	911	27.3%	55	23	260	573
Total units	3,338		510	31	899	1,898
Local Municipal Share			15.3%	0.9%	26.9%	56.9%

Source: CMHC Starts and Completions Survey 2020

Figure 2 – Halton Hills Housing under Construction, 2020

	Halton Region	%	Burlington	Halton Hills	Milton	Oakville
Apartment	2,787	56.4%	1,006	185	344	1,252
Townhouse	1,014	20.5%	130	26	444	414
Semi-detached	136	2.8%	62	16	56	2
Single	1,004	20.3%	90	126	155	633
Total units	4,941		1,288	353	999	2,301
Local Municipal Share			26.1%	7.1%	20.2%	46.6%

Source: CMHC Starts and Completions Survey 2020

Housing Costs

The average price of a new build in Halton Region was \$643,680 in 2020, down from \$790,209 in 2019. This is due largely to a larger share of new apartments (37 per cent) and townhouses (40 per cent) being sold compared to the number of singles and semis (23 per cent). In contrast, the average resale home price rose to \$960,089 in 2020, from \$842,824 in 2019. Unlike new build sales, resale singles and semis had a much larger share, at just over 60 per cent, helping to raise the overall average. Overall, 12,912 total home sales were reported in Halton Region in 2020, with an average price of \$902,576. As shown in Figure 3, resale homes represent over 80 per cent of total home sales, helping to explain why the overall average sale price is much higher than the new build average.

Figure 3 – Halton Region Home Sales by Average Price, 2020

	New		Resale		Total
Apartment	863	36.8%	1,403	13.3%	2,266
Townhouse	932	39.7%	2,869	27.2%	3,801
Semi-detached	45	2.4%	604	5.7%	660
Single	496	21.1%	5,689	53.8%	6,185
All Sales	2,347	18.2%	10,565	81.8%	12,912
Average Sale Price	\$643,680		\$960,089		\$902,576

Source: Calculated from MPAC sales data, 2020

In Halton Hills, the average price of a new build was \$876,930 in 2020, down from \$985,945 in 2019. The decrease in price is due in part to the townhouse completions reported in 2020, the first non-single detached units to be completed locally since 2017.

The 2020 State of Housing Report did not report on average resale prices by area municipality. For this report, Town staff has used Toronto Regional Real Estate Board (TRREB) data in order to report on resale home prices at the local level. It should be noted that TRREB figures for average resale prices are based on a lower number of total sales Region-wide for 2020, compared to the CMHC numbers found in Figure 3.

According to the TRREB, the average resale home price in Halton Hills was \$905,440 in 2020. This was lower than the TRREB-reported Halton Region average of \$1,011,508, which was driven largely by rising resale home prices in Oakville (\$1,246,101). Both Burlington (\$899,511) and Milton (\$860,487) reported lower average resale prices compared to Halton Hills. These trends are similar to what was reported using CMHC data in the 2019 State of Housing Report.

Housing Affordability

In Halton Region, the Affordable Threshold for home sales was \$409,500 in 2020, up 4 per cent from 2019. The number of new homes sold that fell below this threshold rose significantly, from 150 in 2019 to 585 in 2020. The majority of these sales were apartments (513), with the remaining being townhouses (72). This increase is due in large part to a larger share (70 per cent) of new builds being apartments or townhouses, as shown in Figure 4.

Figure 4 – Halton Region New Affordable Unit Sales, 2020

	<= \$409,500 (Affordable Threshold)		> \$409,500	
	Units	%	Units	%
Apartment	513	87.7%	350	19.9%
Townhouse	72	12.3%	860	48.8%
Semi-detached	0	0.0%	56	3.2%
Single	0	0.0%	496	28.1%
All Units	585		1,762	
Average Price	\$337,481		\$745,341	

In 2020, no new home sales were reported below the Affordable Threshold in Halton Hills. This was due to a lack of completed high density housing projects, and limited overall supply. With over 200 apartment and townhouse units currently under construction in Halton Hills (see Figure 2), the Town may report sales below the Affordable Threshold in the coming years.

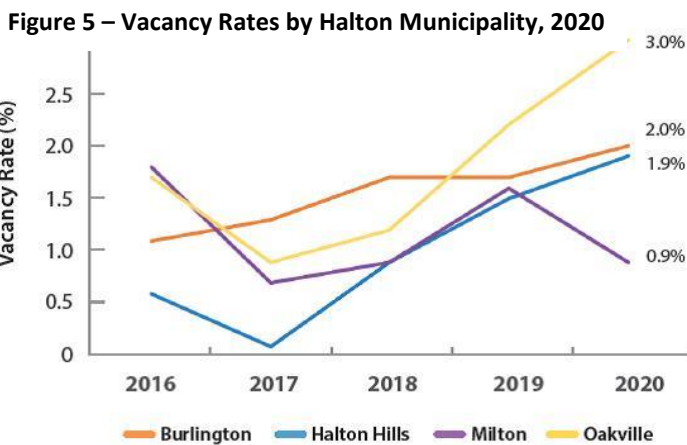
Source: Calculated from MPAC sales data, 2020

Among the area municipalities, Milton and Oakville provided the majority of new affordable units in 2020, adding 264 and 220 units respectively. Burlington added the remaining 101 new units below the Affordable Threshold in 2020, despite building much fewer apartments in 2020 compared to 2019.

Rental Housing

The rental vacancy rate for Halton Region for apartments and townhouses was the highest it's been in over ten years reaching 2.3 per cent in 2020, up from 1.8 per cent in 2019. Region-wide this is a positive sign as vacancy continues to climb towards 3 per cent, which the Canadian Mortgage and Housing Corporation (CMHC) deems healthy

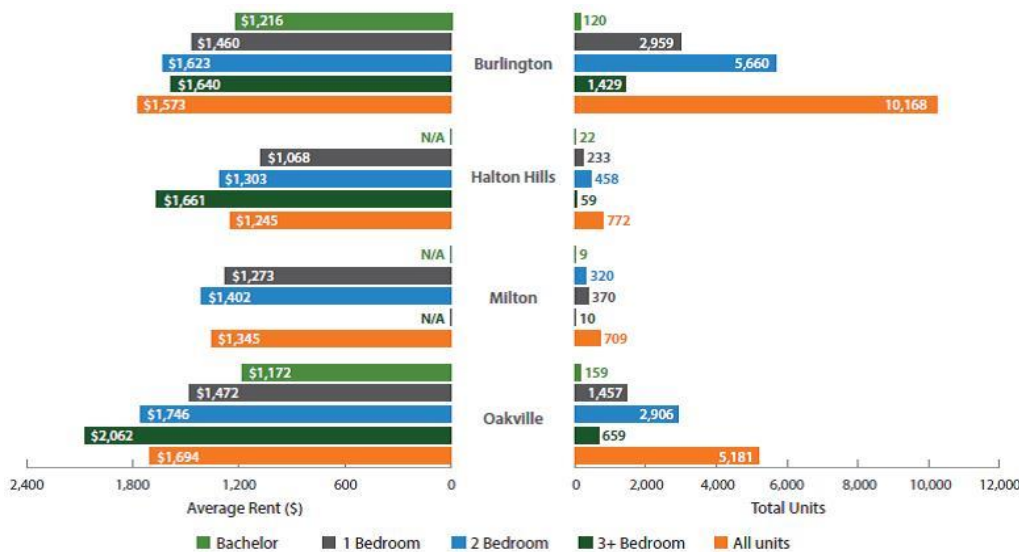
for a municipality. The vacancy rate in Halton Hills climbed from 1.5 per cent in 2019 to 1.9 per cent in 2020. This is the highest reported rate since 2016, as shown in Figure 5.



Source: CMHC Rental Market Report, 2016 to 2020

The average rent for all unit types in Halton Region was \$1,583 in 2020, up over 7 per cent from 2019. Locally, Halton Hills reported having 772 rental units, with an average rent of \$1,245 in 2020. This was up 3 per cent from 2019, and was the lowest average rent among the four municipalities in Halton Region, as shown in Figure 6. By rental unit type, 1 and 2 bedroom units continue to be the most commonly available in Halton Hills.

Figure 6 – Average Rent by Unit Type for the Halton Municipalities, 2020



Source: CMHC Rental Market Report, 2020

Halton Hills Affordable Housing Working Group

Since its establishment in early 2020, the Halton Hills Affordable Housing Working Group has continued to be engaged, and provides advice, direction and/or support, in order to deliver on Council’s priority of ensuring that housing is accessible to all

residents at any age or stage in life. To date, with the Working Group's support, accomplishments include:

- Launching an Affordable Housing Awareness and Engagement Strategy. This is a comprehensive plan to engage residents and generate awareness on local housing issues and potential solutions. Initiatives included a creative campaign with the tagline "*What does affordable housing mean to you?*", conducting educational programming with high school students, and organizing the Town's first-ever Town-wide Affordable Housing Open House which was well attended with approximately 60 participants;
- Providing supports for proposed affordable housing developments, including local financial incentives/assistance and issuing letters of support for applicants to receive additional external funding;
- Leveraging Town-owned lands such as 17 Guelph Street and 9985 Winston Churchill Boulevard to expand local affordable housing opportunities;
- Promoting the benefits of secondary unit creation;
- Collecting and analyzing housing data to establish a baseline understanding of local housing affordability issues;
- Conducting a best practices review of municipalities that have included municipal incentives/tools to stimulate investment in affordable housing; and,
- Building relationships with key housing stakeholders in the public, non-profit and private sector to identify and partner on affordable housing opportunities.

The Working Group has also been consulted as part of the update of the Town's Community Improvement Plan (CIP). Potential incentives for affordable housing projects are being explored as part of the update.

Local Affordable Housing Development Projects

In a relatively short period of time, considerable progress has already been made in advancing affordable housing opportunities at the local level, with the Town taking an active and direct role.

There are currently three affordable housing development projects underway in Halton Hills, specifically:

- 17 Guelph Street in Georgetown
- 47 Maria Street in Acton
- 37 King Street, the former Exchange Hotel in Georgetown

Led by Economic Development, the planning and technical phases for the 17 Guelph Street project is well underway. The Official Plan and Zoning by-law Amendment application was submitted in July. It seeks approval for a four-storey apartment building consisting of 14 affordable rental units. Town and Regional staff are collaborating on a public call to be issued in the fourth quarter of 2021, seeking a partnership to design, build and maintain the proposed development. A recent update on this project was provided to Council on July 5, 2021, through Report ADMIN-2021-0038.

The 47 Maria Street project is currently seeking Planning approval for a two-storey building consisting of 12 affordable rental units for residents with special needs. The Town supported this project through a waiver of Town fees and deferral of Development Charges. This support helped leverage a regional capital funding commitment of \$3 million (approved on April 21, 2021).

The Exchange Hotel site project recently received Council approval to proceed with the development of 4 townhouse and 2 semi-detached units. The Town supported this project through a waiver of Town fees and Development Charges. The applicants also applied for federal funding through the Canada Mortgage and Housing Corporation (CMHC) Rapid Housing Initiative (RHI) in 2020. While unsuccessful for this initial round of RHI funding, the project is eligible to re-apply for the second round of RHI funding. Town staff are supporting the applicant as they re-apply for the second round.

Halton Hills Affordable Housing Action Plan

Moving forward, to deliver on Council's affordable housing Strategic Plan priority, the development of a local Affordable Housing Action Plan is recommended in order to ensure a coordinated, effective, and action-oriented approach to addressing current and future housing needs in Halton Hills. Subject to Council review and approval via the 2022 Budget process, work on the Affordable Housing Action Plan is proposed to commence in 2022.

Building on existing successes, the Region's Comprehensive Housing Strategy, and the Town's Strategic Plan, Official Plan and Secondary Plans. Economic Development and Tourism Strategy, and Community Improvement Plan (CIP) update, the Plan's main objective will be to identify gaps and specify practical local actions, policies, tools, targets and roles and responsibilities required to address short and long-term affordable housing needs.

STRATEGIC PLAN ALIGNMENT:

This report aligns to the Town's Strategic plan recognizing the value to provide responsive, effective municipal government and strong leadership in the effective and efficient delivery of municipal services.

It also aligns with the Shaping Growth priority as it relates to initiatives being taken to help ensure that housing is accessible to all residents at any stage of life.

By reviewing and reporting on the Halton Region State of Housing Report, Town staff is keeping informed on local and regional housing trends in an effort to promote higher density and affordable housing options in Halton Hills.

RELATIONSHIP TO CLIMATE CHANGE:

This report is administrative in nature and does not directly impact or address climate change and the Town's Net Zero target.

PUBLIC ENGAGEMENT:

Public Engagement was not needed as this report is administrative in nature.

INTERNAL CONSULTATION:

This is a joint report between Planning and Development and Economic Development, Innovation and Culture.

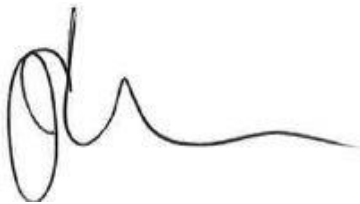
FINANCIAL IMPLICATIONS:

This report is administrative in nature and does not have any financial implications.

Reviewed and approved by,



Bronwyn Parker, Director of Planning Policy



John Linhardt, Commissioner of Planning and Development



Chris Mills, Acting Chief Administrative Officer