



REPORT

TO: Mayor Lawlor and Members of Council

FROM: Keith Hamilton – Senior Planner, Policy

DATE: July 26, 2023

REPORT NO.: PD-2023-051

SUBJECT: Halton Region 2022 State of Housing Report

RECOMMENDATION:

THAT Report No. PD-2023-051 dated July 26, 2023, regarding the Halton Region 2022 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 284 new housing units in 2022; including 166 single and semi-detached, 109 apartments, and 7 townhouses.
- In 2022, there were 291 new housing units under construction in Halton Hills, many of which (197) were townhouses and apartments.
- The average cost of a new build home in Halton Hills was \$995,668 in 2022, while the average resale home price was \$1,254,160.
- The rental vacancy rate in Halton Hills was 2.8 per cent in 2022, up from 0.7 per cent from 2021.
- The average rent in Halton Hills was \$1,385 (monthly), the lowest among the four area municipalities.
- Multiple affordable housing projects and initiatives are underway locally, most notably the ongoing redevelopment of 17 Guelph Street in Georgetown.

BACKGROUND AND DISCUSSION:

The State of Housing Report has been prepared by Halton Region staff on an annual basis since 2006. 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 currently set out in the Halton Regional Official Plan, Provincial Growth Plan, and Provincial Policy Statement.

Halton Region's targets include:

- At least 65 per cent of new housing units produced annually to 2031 be in the form of townhouses or multi-storey (apartment) buildings, and 75 per cent each year after; and,
- At least 30 per cent of new housing units produced annually to be affordable or assisted housing (meaning those sold under the Affordable Threshold discussed later on in this report).

In 2022, Halton Region fell short of both targets, with 48 per cent of new housing completions being town house or apartment units, and 21.6 per cent of new units being affordable. Results of the report have been summarized with specific attention given to Halton Hills in comparison to the Region and other regional municipalities. The 2022 State of Housing Report can be found in its entirety in Appendix 1 to this report.

Housing Completions

In Halton Hills, a total of 284 units were completed in 2022, an increase from the 163 completed in 2021. Among the area municipalities, only Halton Hills saw an increase in completions from 2021 to 2022. Oakville had the highest number of completions (see Figure 1), making up nearly half of the Region total in 2022, while Milton had about one third. Burlington saw a notable decline in completions in 2022, which could be due in part to a high number of housing units under construction (see Figure 2).

While the highest number of completions in Halton Hills were single-detached units (46 per cent), there was a notable shift to apartment completions in 2022. Where no apartment completions were reported locally in 2020 or 2021, over one third of completions (38 per cent) in Halton Hills were apartments in 2022. This was largely driven by completed apartment units at the Edgewater Seniors development in Georgetown off Mountainview Road North.

Region-wide, 2,115 units were completed in 2022, a decline of nearly 47 per cent from 2021. By proportion, single and semi-detached completions made up a greater share compared to 2021, making up just over half. Apartment completions in Halton Region dropped considerably in both total completions and proportionately, making up just over 27 percent in 2022, compared to 38 per cent in 2021. Much of this is due to Burlington reporting no apartment completions in 2022, and Oakville seeing a significant decline.

Future Housing Mix

Region-wide, there were 6,692 reported units under construction in 2022 (See Figure 2). Over 72 per cent of these are apartments, driven by high numbers in Oakville and Burlington. When combining apartment and townhouse units under construction in Halton Region, over 83 per cent of units under construction are medium or high-density form. In all four area municipalities, combined apartment and townhouse units under construction are far outpacing semi and single-detached unit under construction. In Halton Hills, 68 per cent of reported units under construction were townhouse and apartment in 2022. This is largely being driven by the Trafalgar Square (Humberstone) development, and the AMICO development on Mill Street in Georgetown.

Housing starts in Halton (meaning those units planned, but not yet under construction) were also reported on. Region-wide over 58 per cent of starts were apartments in 2022, while another 16 per cent were townhouses. In Halton Hills, 117 of 167 housing unit starts reported for 2022 were townhouse, with the remaining 50 being single detached. In 2022 Halton Region fell short of its targeted 65 per cent of completions being apartment or townhouse units. However, the housing units under construction and housing starts data found in the State of Housing Report would suggest this target may be attainable in the coming years.

Figure 1 – Halton Region Housing Completions, 2022

| | Halton Region | % | Burlington | Halton Hills | Milton | Oakville |
|----------------------------------|---------------|-------|-------------|--------------|--------------|--------------|
| Apartment | 574 | 27.1% | 0 | 109 | 132 | 333 |
| Townhouse | 444 | 21.0% | 26 | 7 | 246 | 165 |
| Semi-detached | 134 | 6.3% | 12 | 36 | 86 | 0 |
| Single | 963 | 45.5% | 58 | 132 | 233 | 540 |
| Total units | 2,115 | | 96 | 284 | 697 | 1,038 |
| Local Municipal Share (%) | | | 4.5% | 13.4% | 33.0% | 49.1% |

Source: CMHC Starts and Completions Survey 2022

Figure 2 – Halton Region Housing under Construction, 2022

| | Halton Region | % | Burlington | Halton Hills | Milton | Oakville |
|----------------------------------|---------------|-------|--------------|--------------|--------------|--------------|
| Apartment | 4,843 | 72.4% | 907 | 76 | 436 | 3,424 |
| Townhouse | 744 | 11.1% | 70 | 121 | 426 | 127 |
| Semi-detached | 4 | 0.1% | 0 | 0 | 0 | 4 |
| Single | 1,101 | 16.5% | 142 | 94 | 359 | 506 |
| Total units | 6,692 | | 1,119 | 291 | 1,221 | 4,061 |
| Local Municipal Share (%) | | | 16.7% | 4.3% | 18.2% | 60.7% |

Source: CMHC Starts and Completions Survey 2022

Housing Costs

The average price of a new build in Halton Region was \$900,699 in 2022, up (19 per cent) from \$756,315 in 2021 (see Figure 3). Similar to 2021, the rising average new home price may be due in part to a rise in the sale of new single-detached homes by proportion (40 per cent of the total). Also notable is that the number of new apartment and townhouse units sold also declined. These units would typically be sold at a lower price, and a greater share of them in the future may help bring down the average new home price. With a greater share of units under construction and housing starts being apartments, there is potential Region-wide for a drop in average new home prices. Resale homes, which represent a much larger share of homes sales in Halton, were dominated by single detached sales, similar to 2021 and 2020.

Figure 3 – Halton Region Home Sales by Average Price, 2022

| | New | | Resale | | Total |
|---------------------------|------------------|-------|--------------------|-------|--------------------|
| Apartment | 612 | 37.0% | 1,355 | 15.1% | 1,967 |
| Townhouse | 282 | 17.0% | 2,381 | 26.5% | 2,663 |
| Semi-detached | 98 | 5.9% | 496 | 5.5% | 594 |
| Single | 664 | 40.1% | 4,745 | 52.9% | 5,409 |
| All Sales | 1,656 | | 8,977 | | 10,633 |
| Average Sale Price | \$900,699 | | \$1,358,314 | | \$1,287,044 |

Overall, 10,633 total home sales were reported in Halton Region in 2022, with an average price of \$1,287,044. This represents a 29 per cent decrease in total sales from 2021 to 2022. The average sale price went up (18 per cent) by \$197,882 from 2021 to 2022.

Source: Calculated from MPAC sales data, 2022

In Halton Hills, the average price of a new build was \$995,668 in 2022, up from \$951,415 in 2021. The increase in price is due in part to the increase in completions in 2022, over half of which were single and semi-detached.

The 2022 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 2022, compared to the CMHC numbers found in Figure 3.

According to the TRREB, the average resale home price in Halton Hills was \$1,254,160 in 2022 (see Figure 4). This was lower than the TRREB-reported Halton Region average of \$1,345,598, which was driven largely by rising average resale home prices in Oakville (\$1,623,505). Both Burlington (\$1,213,752) and Milton (\$1,174,435) reported lower average resale prices compared to Halton Hills. Resale averages among the area municipalities all increased by over 9 per cent from 2021 to 2022, while the reported number of resales dropped for all four. This suggests that the declining number of resale opportunities across Halton Region may be contributing to rising prices.

Figure 4 – Halton Area Municipality Average Resales, 2021-2022

| Municipality | Number of Sales | | | Average Resale Price | | |
|--------------|-----------------|-------|--------|----------------------|-------------|--------|
| | 2021 | 2022 | Growth | 2021 | 2022 | Growth |
| Burlington | 3,425 | 2,516 | -26.5% | \$1,085,301 | \$1,213,752 | 12% |
| Halton Hills | 1,118 | 817 | -27% | \$1,140,836 | \$1,254,160 | 10% |
| Milton | 2,925 | 1,782 | -39% | \$1,072,256 | \$1,174,435 | 9.5% |
| Oakville | 4,331 | 2,560 | -41% | \$1,482,064 | \$1,623,505 | 9.5% |

Source: Toronto Regional Real Estate Board Market Watch, 2022

Housing Affordability

Halton Region's Housing Model is used to generate thresholds for affordable home purchase prices on an annual basis. In 2022, for 1-2 person households this was set at \$338,100; and \$664,900 for 3 person or more households. An average between the two is then generated and used as the Affordable Threshold seen in the State of Housing Report.

In Halton Region, the Affordable Threshold for all home sales was \$496,300 in 2022, up from \$480,700 in 2021 (See Figure 5). The number of new home sales under this threshold was 333, which was just over 21 per cent of new home sales in Halton. Compared to 2021, the number of new apartment and townhouse unit sales dropped, while the number of new single-detached home sales grew proportionately. This likely contributed to Halton Region failing to hit the target of 30 per cent of new home sales under the Affordable Threshold in 2022. Based on the high amount of apartment units currently under construction (see Figure 2), it is likely that the 30 per cent target could be achieved in the coming years.

Figure 5 – Halton Region New Affordable Unit Sales, 2022

| | <= \$496,300 (Affordable Threshold) | | > \$496,300 | |
|----------------------|--|-------|--------------------|-------|
| | Units | % | Units | % |
| Apartment | 332 | 99.7% | 280 | 21.2% |
| Townhouse | 1 | 0.3% | 281 | 21.2% |
| Semi-detached | 0 | 0.0% | 98 | 7.4% |
| Single | 0 | 0.0% | 664 | 50.2% |
| All Units | 333 | | 1,323 | |
| Average Price | \$382,496 | | \$1,031,131 | |

Source: Calculated from MPAC sales data, 2022

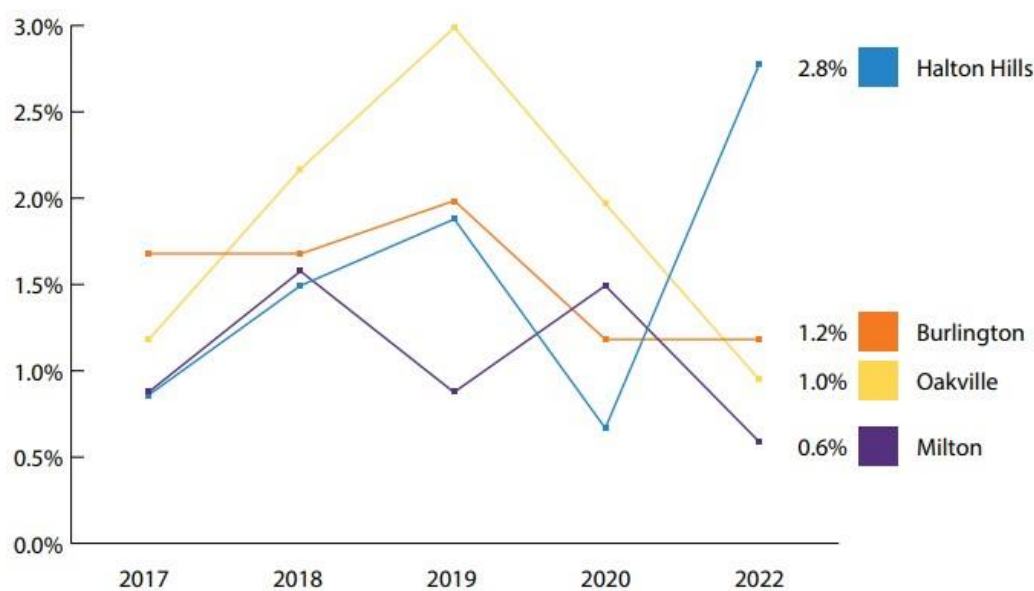
In 2022, no new home sales were reported below the Affordable Threshold in Halton Hills. For several years prior to 2022, Halton Hills was not reporting any completed apartments, contributing to a lack of new units being sold at an affordable cost. As Figures 1 and 2 show incoming apartment and townhouse units locally, it's plausible that we begin to see some units being sold under the Affordable Threshold in the coming years.

Among the area municipalities, Oakville provided the majority of new affordable units with over 75 per cent of the Halton Region total. Much of the remaining affordable units were provided in Burlington, with Milton seeing a significant drop down to just 1 unit in 2022. This is due in part to that municipality seeing a decline in apartment and townhouse completions from 2021 to 2022.

Rental Housing

The rental vacancy rate for Halton Region for all available apartments and townhouses was 1.2 per cent, down slightly from 1.4 per cent in 2021. Annual vacancy rates for Halton continue to fall below 3 per cent, which the Canadian Mortgage and Housing Corporation (CMHC) deems healthy for a municipality. The number of total rental units reported in Halton Region in 2022 was nearly the same as that reported in 2021, helping to explain why there was not much change in the overall vacancy rate. The vacancy rate in Halton Hills was 2.8 per cent in 2022, up from 0.7 per cent in 2021 (See Figure 6). This increase is not reflected region-wide where Milton and Oakville saw sharp declines, while Burlington stayed the same from 2021 to 2022.

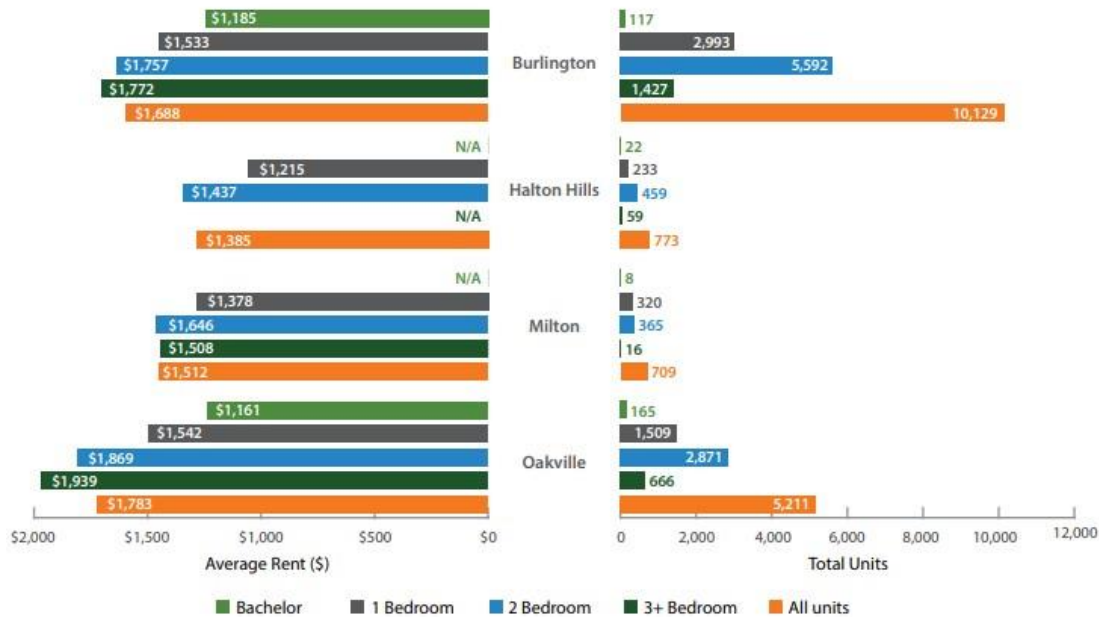
Figure 6 – Vacancy Rates by Halton Municipality, 2022



Source: CMHC Rental Market Report, 2018-2022

The average monthly rent for all unit types (private rental market including purpose-built) in Halton Region was \$1,695 in 2022, up 6 per cent from 2021. Locally, Halton Hills reported having 773 rental units, with an average monthly rent of \$1,385 in 2022 (See Figure 7). This represents an increase of 8.2 per cent in average rent, while the total number of rental units stayed nearly the same. The increase in the vacancy rate locally may simply be a higher number of available units at the time of reporting, compared to 2021. Future high density development projects, including in the Mill Street Corridor and Destination Downtown (McGibbon development) areas do have the potential to increase the number of rental units locally.

Figure 7 – Average Rent by Unit Type for the Halton Municipalities, 2022



Source: CMHC Rental Market Report, 2022

Affordable Housing in Halton Hills

The Town continues to make progress towards ensuring that housing is accessible to all residents at any age and stage in life. This progress recognizes the Town’s relatively limited scope in delivering affordable housing versus Halton Region and other levels of government, and the Region’s role as the service provider of affordable housing. Most recently, an update was provided on the 17 Guelph Street project via Report No. BEC-2023-008, dated June 2, 2023. This project will provide 14 affordable housing units near both the GO Station and downtown Georgetown. Some affordable housing highlights were also included in the 2022 Invest Halton Hills Annual Report.

Per Memorandum ADMIN-2022-0007, approved at the July 4, 2022 Council meeting, the Town’s focus is on:

- Continuing to assist with existing and pending affordable housing projects.
- Considering housing opportunities on Town-owned surplus lands, as appropriate.
- Using a cross-departmental approach to monitor and coordinate the review of any new announcements, partnership opportunities, legislative changes and/or funding.
- Coordinating with Halton Region on any local affordable housing options.
- Pending development of Council’s new Strategic Plan, determining the need to proceed with an Affordable Housing Action Plan.

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.

This report also identifies shaping growth as one of the Town's Strategic priorities.

By reviewing and reporting on the Halton Region State of Housing Report 2022, 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:

Staff from Business, Innovation and Culture were consulted in preparation of this report.

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 & Development

Chris Mills, Chief Administrative Officer