

REPORT

REPORT TO: Chair and Members of the Planning, Public Works and Transportation Committee

REPORT FROM: Keith Hamilton – Planner, Policy/Development Review

DATE: November 28th, 2018

REPORT NO.: PLS-2018-0082

RE: Halton Region's 2017 State of Housing Report

RECOMMENDATION:

THAT Report Number PLS-2018-0082 dated November 28, 2018, regarding the Halton Region 2017 State of Housing Report be received for information.

BACKGROUND:

The State of Housing Report is prepared by the Region 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 and the Provincial Growth Plan.

Halton Region's targets include:

- At least 50 per cent 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 2017 State of Housing Report can be found in its entirety in Schedule 1 at the end of this report.

COMMENTS:

Housing Completions

Halton Hills built a total of 208 new units in 2017, down from 291 in 2016. In contrast, all other Halton municipalities saw growth in the number of completions. Halton Hills did see very balanced breakdown of completions by type compared to the past five years, as shown in Figures 1 and 2. Single/semi-detached and townhouse completions were almost equal while the remaining 27 per cent were apartments, which had no completions going back to 2013.

Region wide, a total of 4,267 units were completed in 2017, a 25 per cent increase from 2016, and the highest number reported in the past five years. For the second year in a row, more apartments were built (46.1 per cent) than townhouses (25.1 per cent) and single/semi-detached homes (28.8 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). In 2017, townhouse and apartment units accounted for 71.2 per cent of housing completions in the Region.

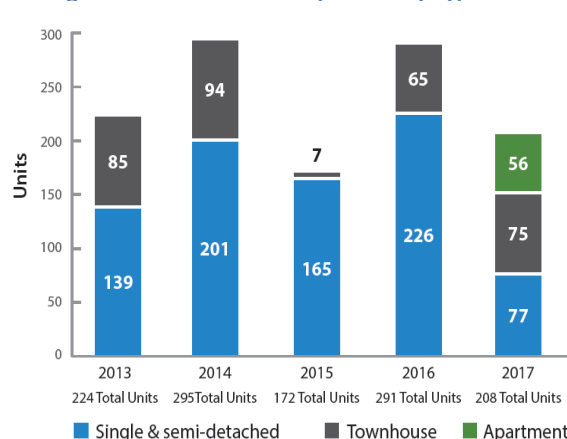
In Halton Hills, 2017 saw a change from the domination of single and semi-detached home completions to a more balanced housing mix. Singles and semis represented less than half of completions, while apartment completions were reported for the first time since 2011. This trend is expected to continue with approved high density projects such as Amico Phase 1 on Mill Street and the Rockport seniors housing complex on Maple Ave in Georgetown.

Figure 1 – Housing Completions by Type

	Halton Region		Burlington	Halton Hills	Milton	Oakville
Apartment	1,966	46.1%	86.7%	26.9%	27.4%	46.8%
Townhouse	1,072	25.1%	2.2%	36.1%	26.8%	29.2%
Semi	84	2.0%	0.0%	1.0%	2.1%	2.5%
Single	1,145	26.8%	11.1%	36.1%	43.8%	21.4%
Total units	4,267		594	208	1,170	2,295
Local share of completions			13.9%	4.9%	27.4%	53.8%
50% Target achievement		71.2%	88.9%	63.0%	54.2%	76.0%

Source: CMHC Starts and Completions Survey 2017

Figure 2 – Halton Hills Completions by Type



Source: CMHC Starts and Completions Survey 2013-2017

Housing Costs

In 2017, the total number of home sales in Halton Hills reached 1,196, as shown in Figure 3. This number is down almost 10 per cent from 2016 (1,324). The average resale price for a home in Halton Hills is \$715,331, up considerably from 2016 (16 per cent). The average resale price of homes has increased Region-wide. Oakville saw an increase of 19.1 per cent with an average resale price of \$1,150,504; Burlington's average resale price has increased to \$750,603, up 18.9 per cent and Milton average resale price is up 16 per cent to \$722,678. The average price of all house sales in Halton Region increased by 12.5 per cent from 2016. This rate is typically lower than resale averages as it includes new housing units sold below the affordable threshold.

Figure 3 – Total Unit Sales by Dwelling Type (2017)

	Burlington	Halton Hills	Milton	Oakville
Total Sales	3,568	1,196	3,193	4,917
Apartment	678	28	575	665
Townhouse	888	246	879	1,530
Single/Semi	2,002	922	1,739	2,722

Source: Halton Region, 2017

Single and semi-detached dwellings accounted for 57 per cent of all sales (including resale) in Halton Region. This has impacted overall average resale house prices as single and semi-detached homes have an average sale price of \$1,042,065. This has had a larger impact on the average resale price in Halton Region, which was \$883,787 in 2017; whereas the average new sale price was \$481,110.

Housing Affordability

The affordable threshold decreased by 1.75 per cent from \$369,400 in 2016 to \$362,950 in 2017. Almost half (49.1 per cent) of new home sales in Halton Region were below this threshold, exceeding the regional affordability target of 30 per cent. This trend is expected to continue given that 69.4 per cent of new home sales in Halton Region in 2017 were higher density (apartment or townhome).

Figure 4 – New Housing Sales by Dwelling Type

	≤ \$362,950		> \$362,950	
	Count	%	Count	%
Apartment	0	0.0%	0	0.0%
Townhouse	0	0.0%	58	51.8%
Semi-detached	0	0.0%	0	0.0%
Single	0	0.0%	54	48.2%
	-		112 units	

In 2017, no new home sales in Halton Hills were below the affordable threshold (Figure 4) in part because of the overall limited available supply. This is anticipated to improve during the 2021-31 period with the development of the Vision Georgetown lands. Over 50 % of housing mix in Vision Georgetown is comprised of medium and high density development.

Oakville contributed 559 new affordable units or 50.4 per cent of the Region's total; Burlington added 72 new affordable units or 6.2 per cent of the Region's total while Milton contributed 428 new affordable units or 40.4 per cent of the Region's total.

Rental Housing

Regional vacancy rates of rental units remain very low Region wide (1.1 per cent) while demanding some of the highest average monthly rents (\$1,356) in the province. Halton Hills vacancy rate decreased to 0.1 per cent compared to last year's 0.6 per cent, increasing the demand for rental units in the Town. As shown in Figure 5, the town's vacancy rates are seeing greater fluctuation year-to-year than the other municipalities. Halton Hills also has the lowest average rent in Halton Region (Figure 6) however did see an increase of 1.5% from last year.

Figure 5 – Vacancy Rates by Local Municipality

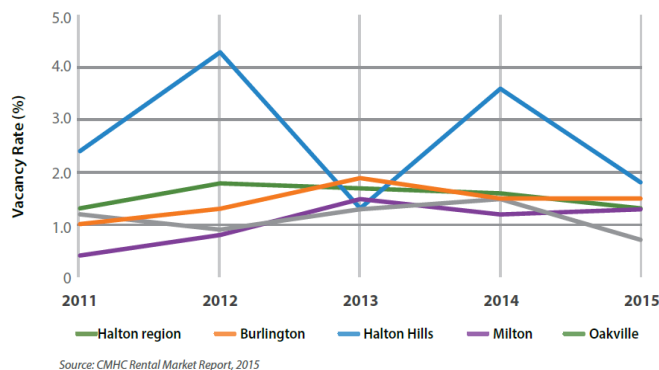


Figure 6 – Average Rent by Local Municipality, 2017

Unit type	Burlington	Oakville	Milton	Halton Hills
Bachelor	\$853	\$930	\$768	N/A
1 Bedroom	\$1,126	\$1,157	\$1,069	\$906
2 Bedroom	\$1,267	\$1,357	\$1,185	\$1,121
3+ Bedroom	\$1,508	\$1,639	N/A	\$1,444
Weighted average	\$1,241	\$1,303	\$1,130	\$1,062

Source: CMHC Rental Market Report, 2011 to 2015

RELATIONSHIP TO STRATEGIC PLAN:

This report directly relates to Strategic Direction A: Foster a Healthy Community. The goal is to maintain and enhance a healthy community that provides a clean environment and a range of economic and social opportunities to ensure a superior quality of life in our community, more specifically:

Strategic Objective A.1: To promote an adequate supply of housing and range of housing choices to meet the needs of present and future residents, including affordable, accessible and seniors housing.

This report also relates to Strategic Direction C: Foster a Prosperous Economy; to maintain and enhance the economic vitality of the Town through the provision of a wide range of opportunities for economic development.

FINANCIAL IMPACT:

There is no financial impact associated with this information report.

CONSULTATION:

This report summarizes a previously published Halton Region report, no consultation was necessary.

PUBLIC ENGAGEMENT:

No public engagement was undertaken for this report.

SUSTAINABILITY IMPLICATIONS:

There are no sustainability implications for this information report.

COMMUNICATIONS:

There is no communications impact associated with this information report.

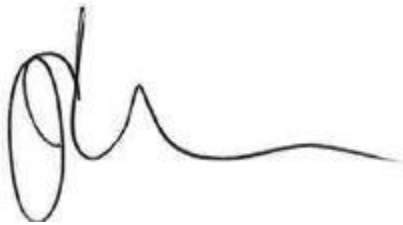
CONCLUSION:

Halton Hills saw more variety in the types of housing units built in 2017; however the average price of a home is still increasing while the availability of rental housing units is decreasing. Future development of higher density housing could provide greater access to affordable home ownership and increased rental opportunities within the Town. Town staff will continue to review the Region's reporting on housing on an annual basis and report back to Council.

Reviewed and Approved by,

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Steve Burke, Manager of Strategic Research and Project Coordination

A handwritten signature in black ink, appearing to read "John Linhardt". The signature is very stylized and cursive, with a large initial "J" and a long, sweeping underline.

John Linhardt, Commissioner of Planning and Sustainability

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Brent Marshall, CAO