

REPORT

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

REPORT FROM: Keith Hamilton – Planner, Policy

DATE: October 15, 2019

REPORT NO.: PLS-2019-0072

RE: Halton Region's 2018 State of Housing Report

RECOMMENDATION:

THAT Report Number PLS-2019-0072 dated October 15, 2019, regarding the Halton Region 2018 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 2018 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 160 new units in 2018, down from 208 in 2017, and a five year low going back to 2014. Among the four area municipalities, only Oakville reported an increase in the number of completions in 2018. All completions in Halton Hills were single detached homes in 2018, as shown in Figures 1 and 2. This was largely driven by completions in greenfield subdivisions such as the Halton Hills Village Homes Inc. (Remington Homes) development, in which single detached homes are the dominant dwelling type.

Region wide, a total of 4,492 units were completed in 2018, a 5 per cent increase from 2017, representing modest growth compared to what was reported from 2016 to 2017 (25 per cent growth). Apartment completions made up one third of the Region total, as shown in Figure 1. This is a reversal of what was reported in 2017, where this unit type made up nearly half of all housing completions.

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 2018, townhouse and apartment units accounted for 61.2 per cent of housing completions in the Region.

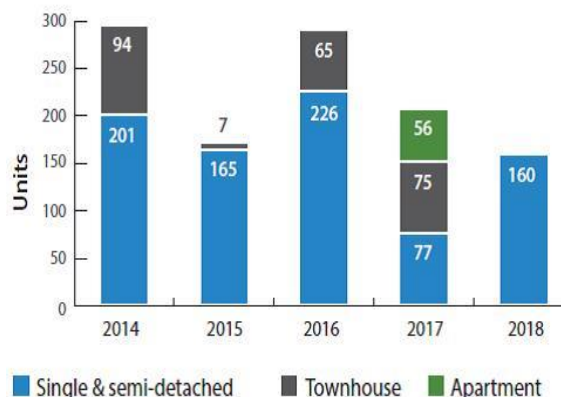
In Halton Hills, 2018 saw a total of 160 completed units, all single detached. This represents a return to pre-2017 trends where single and semi-detached homes were the dominant new housing form. Moving forward, Halton Hills should expect more balanced housing completions with the ongoing development of high density projects such as Amico Phase 1 on Mill Street, the Rockport seniors housing complex on Maple Ave, and Credit River Ridge at Mountainview and John Street in Georgetown.

Figure 1 – Housing Completions by Type

	Total Completions	Halton Region	Burlington	Halton Hills	Milton	Oakville
Apartment	1,186	26.4%	62.4%	0.0%	5.2%	34.3%
Townhouse	1,562	34.8%	0.0%	0.0%	53.1%	32.3%
Semi	304	6.8%	0.0%	0.0%	15.1%	3.5%
Single	1,440	32.1%	37.6%	100%	26.6%	29.9%
Total units	4,492		423	160	1,441	2,468
Local share of completions			9.4%	3.6%	32.1%	54.9%
50% Target achievement			62.4%	0.0%	58.3%	66.6%

Source: CMHC Starts and Completions Survey 2018

Figure 2 – Halton Hills Completions by Type, 2014-2018



Source: CMHC Starts and Completions Survey 2014-2018

Housing Costs

In 2018, the total number of home sales in Halton Hills reached 971, as shown in Figure 3. This number is down almost 20 per cent from 2017 (1,196). The average resale price for a home in Halton Hills is \$732,645, up slightly from 2017 (2.4 per cent). Outside of Halton Hills, the average resale price of homes has decreased Region-wide in 2018. Burlington's average resale price was \$721,395, down 3.9 per cent, while Milton's average resale price fell 3.3 per cent to \$699,132. Oakville reported the biggest drop in average resale price (\$1,034,604), dropping 10 per cent from 2017. The average price of all house sales in Halton Region decreased by 1.6 per cent from 2017. This is largely a result of declining resale prices in the larger housing markets (Burlington and Oakville) in Halton Region.

The average price for new homes in Halton Region was \$709,991 in 2018, a 47 per cent increase from 2017. This is likely due to a greater share of new homes sold being single and semi-detached, which are typically sold at a much higher price than apartments and townhouses. A greater balance in the type of new homes sold moving forward should result in a lower average new home price Region-wide.

Figure 3 – Total Unit Sales by Dwelling Type (2018)

	Burlington	Halton Hills	Milton	Oakville
Total Sales	3,204	971	2,951	4,296
Apartment	593	79	345	876
Townhouse	851	172	1,093	1,018
Single/Semi	1,760	720	1,513	2,402

Source: Halton Region, 2018

Housing Affordability

The affordable threshold increased by almost 5 per cent from \$362,950 in 2017 to \$380,800 in 2018 (Figure 4). Approximately 20 per cent of new home sales in Halton Region were below this threshold, falling beneath the regional affordability target of 30 per cent. This can be attributed to a surge in sales of new single and semi-detached units in Halton Region, whose prices typically do not fall below the affordable threshold. Singles and semis made up nearly 45 per cent of all new home sales in 2018 compared to 30 per cent in 2017.

Figure 4 – New Affordable Units in Halton Region 2018

	≤ \$380,800		> \$380,800	
	Count	%	Count	%
Apartment	332	81.6%	255	13.5%
Townhouse	75	18.4%	609	32.3%
Semi-detached	0	0.0%	219	11.6%
Single	0	0.0%	805	42.6%
	407 units		1,888 units	

In 2018, no new home sales in Halton Hills were below the affordable threshold in part because of the limited available supply. This is anticipated to improve during the 2021-31 period with the development of the Vision Georgetown lands. Over 50 per cent of the housing mix in Vision Georgetown is comprised of medium and high density development.

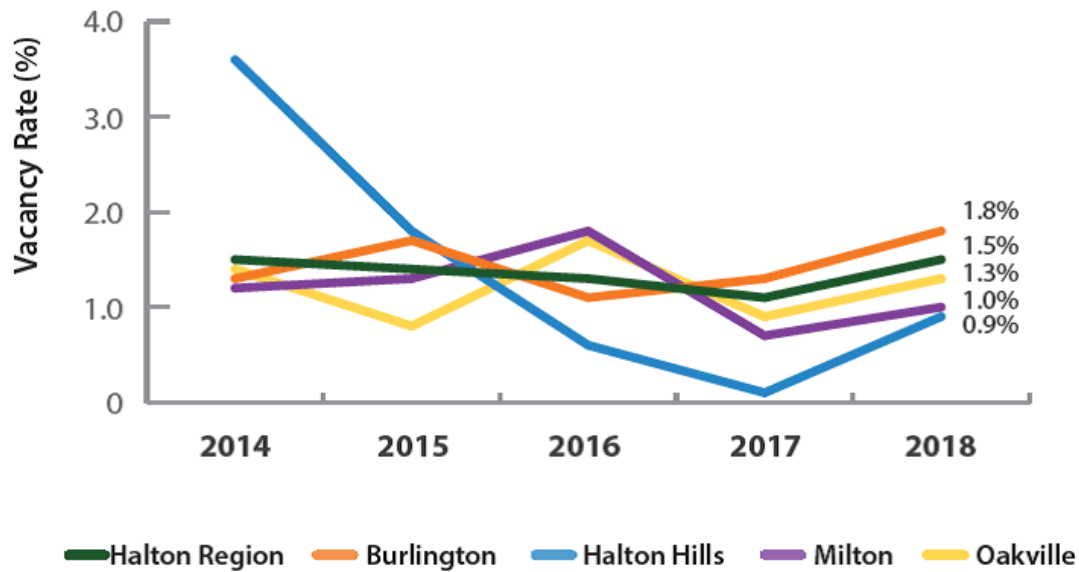
Close to the Georgetown GO station, an affordable housing project is currently in the application stages to convert the site of the Exchange Hotel in to 4 townhouses and a duplex. If successful, this application may lead to the creation of units locally that would fall under the affordable threshold.

Among the area municipalities, Oakville contributed 224 new affordable units or 49.2 per cent of the Region's total; Burlington added 21 new affordable units or 5.2 per cent of the Region's total while Milton contributed 162 new affordable units or 39.8 percent of the Region's total. The number (407) of new affordable units in Halton Region decreased by 61.6 per cent from the 1,059 added in 2017.

Rental Housing

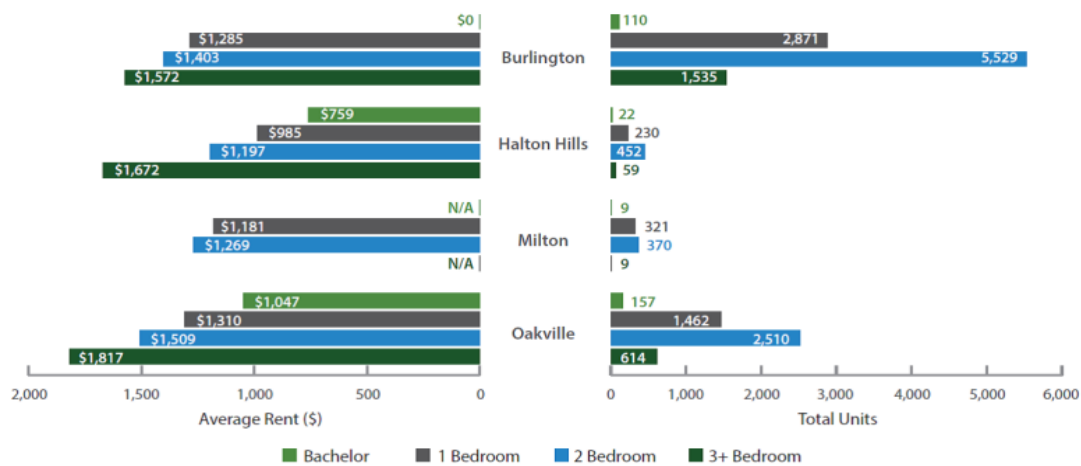
Regional vacancy rates of rental units remain very low Region wide (1.5 per cent) while demanding some of the highest average monthly rents (\$1,392) in the province. Halton Hills vacancy rate increased to 0.9 per cent compared to last year's 0.1 per cent, but is still below the Provincial average of 1.8 per cent. As shown in Figure 5, the Town's vacancy rates are the lowest in Halton Region, but did see an increase for the first time in five years. Halton Hills also had some of the lowest average rents in Halton Region (Figure 6), with two bedroom units being the most common available.

Figure 5 – Vacancy Rates by Local Municipality



Source: CMHC Rental Market Report, 2014 to 2018

Figure 6 – Average Rent by Local Municipality, 2018



Source: CMHC Rental Market Report, 2018

Recent amendments to the Town’s Official Plan and Comprehensive Zoning By-law have expanded permissions for accessory dwelling units in both the Urban and Rural/Agricultural Areas. Staff are hopeful these expanded permissions will lead to an increased availability of affordable rental units Town-wide.

Regional Comprehensive Housing Strategy

The Comprehensive Housing Strategy is a ten year plan (2014-2024) created and administered by Halton Region, addressing affordable housing and homelessness prevention. Halton Region staff has recently completed a 5 year review of the plan and brought a report to Regional Council on October 16th. The report outlines policy directions that could be taken to provide a full range of housing to meet the needs of all residents.

Specifically, the report identifies working with local municipalities on policy initiatives to address the changing housing needs of residents. This action will be addressed through the ongoing review of the Regional Official Plan. The report also recommends the development and use of Community Improvement Plans locally that support increasing the supply of affordable housing and retaining existing rental properties.

Local Affordable Housing Working Group

In response to Council concerns over housing affordability, Town staff has established the 'Affordable Housing Working Group'. The creation of this group was proposed to Council in May of 2019 (TPW-2019-0016), with a formal proposal taken to PPT Committee in October (TPW-2019-0031). While still in the planning stages of the

working group, the Town has identified a list of short term actions on affordable housing, while identifying what is already being done, including:

- Expanding permissions for Accessory Dwelling Units;
- Partnering with Habitat for Humanity on the Exchange Hotel project;
- Secondary Plans (Vision Georgetown and Destination Downtown) with 30 per cent affordability targets;
- Facilitating partnership discussions with higher levels of government and the development community; and,
- Considering a Community Improvement Plan to assist with affordable housing.

As per the Terms of Reference attached to staff report TPW-2019-0031, the working group will consist of the Mayor, Councillors, Town and Region staff, members from the non-profit housing industry, social services representatives, and members of the public. The working group is expected to formally meet in Q1 of 2020 and begin developing initiatives for the advancement of affordable housing in Halton Hills.

RELATIONSHIP TO STRATEGIC PLAN:

This report relates directly to the implementation of the Town Strategic Plan. Under Section A – Foster a Healthy Community, this report supports 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. 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 diverse and affordable housing options in Halton Hills.

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. Researching and reporting on the local housing market is critical in the development of long-range planning policies for housing and mixed-use 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:

The Town is committed to implementing our Community Sustainability Strategy, Imagine Halton Hills. Doing so will lead to a higher quality of life.

The recommendation outlined in this report advances the Strategy's implementation.

This report supports the **Social Well-being** pillar of Sustainability, particularly the Housing theme under this pillar. Information reports on local housing trends will feed into future Town policies on the range, mix and affordability of housing. In summary the alignment of this report with the Community Sustainability Strategy is good.

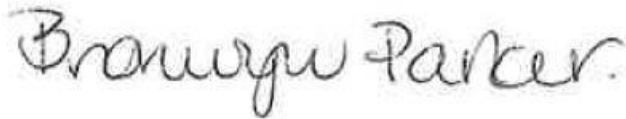
COMMUNICATIONS:

There is no communications impact associated with this information report.

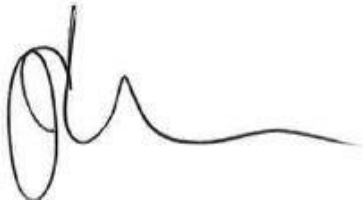
CONCLUSION:

Halton Hills saw a decline in the number and variety of housing units built in 2018; reflecting a Region-wide trend. Ongoing and planned development projects in Halton Hills for medium and high density housing are expected to provide greater balance in the type of units available. Moving forward, greater access to townhouse and apartment dwellings will make home ownership more affordable. Town staff will continue to review the Region's report on housing on an annual basis and report back to Council.

Reviewed and Approved by,

A handwritten signature in dark ink that reads "Bronwyn Parker". The script is cursive and fluid.

Bronwyn Parker, Manager of Planning Policy

A handwritten signature in dark ink, appearing to be "John Linhardt". The signature is stylized with a large initial 'J' and a long horizontal stroke.

John Linhardt, Commissioner of Planning and Sustainability

A handwritten signature in dark ink that reads "Brent Marshall". The signature is written in a cursive style.

Brent Marshall, Chief Administrative Officer