



## **REPORT**

**REPORT TO:** Mayor Bonnette and Members of Council

**REPORT FROM:** Keith Hamilton – Planner, Policy

**DATE:** November 16<sup>th</sup>, 2020

**REPORT NO.:** PD-2020-0062

**RE:** Halton Region's 2019 State of Housing Report

### **RECOMMENDATION:**

THAT Report Number PD-2020-0062 dated November 16, 2020, regarding the Halton Region 2019 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, Provincial Growth Plan, and Provincial Policy Statement.

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 2019 State of Housing Report can be found in its entirety in Schedule 1 at the end of this report.

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

## COMMENTS:

### Housing Completions

In Halton Hills a total of 164 new units were added in 2019, up slightly from 160 in 2018. Among the four area municipalities, Burlington more than doubled its number of completions from 2018, driven largely by apartment dwellings. Similar to what was reported in 2018; all completions in Halton Hills were single detached homes in 2019, as shown in Figures 1 and 2. This was driven again by ongoing developments such as the Halton Hills Village Homes Inc. (Remington Homes) development which was approved in 2018; where single detached is the predominant dwelling type.

Region-wide 3,208 units were completed in 2019, a notable drop off (28.6 per cent) from the 4,492 units completed in 2018. This can be attributed to a sharp decline in new units in Oakville (72 per cent decline from 2018 to 2019), and a slight decline in Milton where the largest number of completions are usually generated. Apartment completions made up just over one third of completions, with a similar number of units to what was reported in 2018, while townhouse completions saw a decline in proportion and overall number of units built.

### 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 2019 was lower (55 per cent) than what was reported in 2018 (61 per cent), largely due a decline in townhouse development.

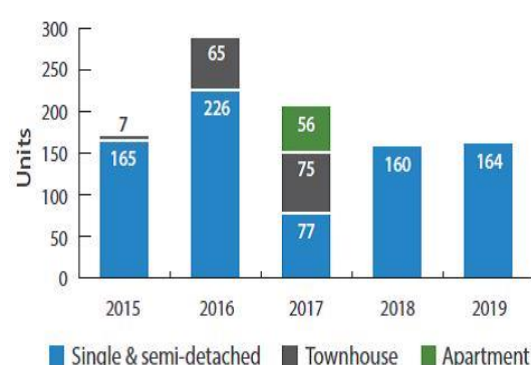
In Halton Hills, 2019 mirrored 2018 where completions were all single detached. Approved future developments in the Town are planned to achieve medium to high densities, including townhomes in Acton (284 Queen Street East, 12 Church Street and 125 McDonald Blvd), and projects in Georgetown such as Amico Phases 1-3 on Mill Street, Credit River Ridge at Mountainview, and the recently reactivated McGibbon project.

Figure 1 – Halton Region Housing Completions, 2019

	Units	Halton Region	Burlington	Halton Hills	Milton	Oakville
Apartment	1,170	36.5%	84.7%	0.0%	26.7%	1.3%
Townhouse	576	18.0%	1.2%	0.0%	23.8%	32.4%
Semi-detached	208	6.5%	7.4%	0.0%	9.6%	0.3%
Single	1,254	39.1%	6.7%	100%	39.9%	66.0%
Total units	3,208		920	164	1,432	692
50% Target achievement	54.4%		85.9%	0.0%	50.5%	33.7%

Source: CMHC Starts and Completions Survey 2019

Figure 2 – Halton Hills Housing Completions, 2019



## Housing Costs

Home sales in Halton Hills (new and resale) totaled 1,104, up 14 per cent from 2018. The average resale price locally was \$755,660, up 3.1 percent from 2018, as shown in Figure 3. The average price of a new build in Halton Hills saw a much larger jump, increasing by 38 per cent from 2018 to 2019, likely due to the dominance of single detached in new home sales. The average home price for all sales in 2019 was \$783,403, a 7.3 per cent increase from 2018, and much closer to that of the average resale home price. This was due to a much larger share of home sales being resale, as shown in Figure 4.

**Figure 3 – Halton Hills Home Sales by Average Price, 2019**

Average Price	New	Resale	All Sales
2015	\$648,715	\$535,077	\$541,719
2016	\$599,973	\$616,320	\$613,374
2017	\$710,466	\$715,331	\$714,876
2018	\$711,854	\$732,645	\$730,354
2019	\$985,945	\$755,660	\$783,403
5-Year Average	\$720,095	\$667,762	\$673,787
Average Annual Change (%)	12.4%	9.2%	9.8%

Source: Calculated from MPAC sales data, 2019

**Figure 4 – Halton Hills Home Sales by Number of Units, 2019**

Unit Sales	New	Resale	All Sales
2015	64	1,031	1,095
2016	240	1,092	1,332
2017	112	1,084	1,196
2018	107	864	971
2019	133	971	1,104
5-Year Average	131	1,008	1,140
Average Annual Change (%)	60.4%	-0.7%	1.6%

Source: Calculated from MPAC sales data, 2019

The average home price in Halton Region as a whole in 2019 remains higher than that of the Town, at \$835,069. Halton Hills reported an average new build price higher than the Region average (\$790,209); however the average resale price locally was lower than the Region average of \$842,824. Among the area municipalities, Oakville continues to have the highest new and resale prices, both averaging over \$1,000,000. Burlington and Milton both had lower new and resale price averages than Halton Hills in 2019, due in part to having a larger overall supply and variety of housing for sale.

## Housing Affordability

In Halton Region, the Affordable Threshold for home sales rose slightly to \$393,400 (up 3.3 per cent) in 2019. The number of new homes sold that fell below this threshold dropped considerably from 407 in 2018 to 150 in 2019. This is due in large part to a decline (26 per cent) in new apartment and townhouse sales in 2019, which typically account for units sold below the threshold, as shown in Figure 5.

**Figure 5 – Halton Region New Affordable Unit Sales, 2019**

	<= \$393,400 (Affordable Threshold)		> \$393,400	
	Units	%	Units	%
Apartment	65	43.3%	25	1.6%
Townhouse	85	56.7%	761	48.2%
Semi-detached	0	0.0%	62	3.9%
Single	0	0.0%	730	46.2%
All Units	150		1,578	
Average Price	\$366,111		\$830,523	

Source: Calculated from MPAC sales data, 2019

In 2019, one new home sale was reported below the Affordable Threshold in Halton Hills. This was due to a lack of completed high density housing projects, and limited overall supply. As previously stated, it is anticipated future mixed density projects, along with the development of the Vision Georgetown lands will present opportunities for more affordable housing locally.

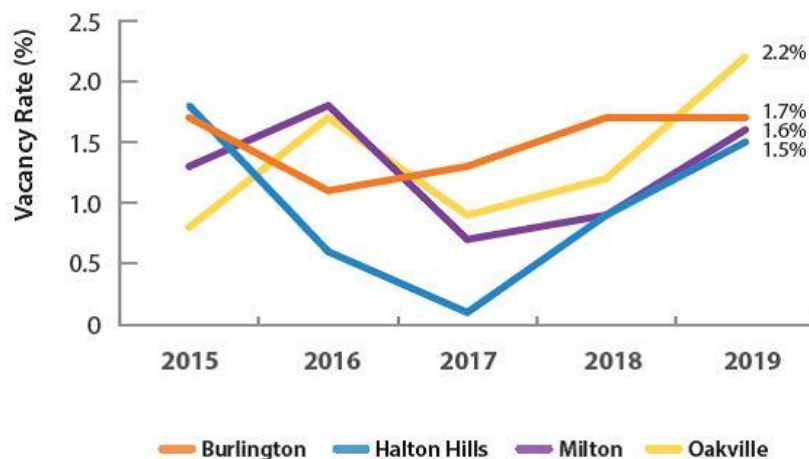
On Guelph Street, near the Georgetown GO Station, an affordable housing project is currently in the planning stages. This project, currently being led by Town Economic Development staff, proposes a multi-unit development that would provide affordable and assisted living options. Staff report ADMIN-2020-0043, brought to Council in November, provides a description of the project in more detail. The completion of this project, the ongoing development of the Exchange Hotel site, and improvements to supportive housing at 47 Maria Street, should lead to the creation of more affordable units in the future.

Among the area municipalities, Milton provided the majority of new affordable units in 2019, adding 139 units, which made up 93 per cent of the Region total. Burlington added 9 new home sales below the Affordable Threshold in 2019, largely due to a decline in overall sales, while Oakville added one new affordable unit.

## Rental Housing

The vacancy rate for Halton Region reached 1.8 per cent in 2019, up from 1.5 per cent in 2018, and doubling 2017's rate of 0.9 per cent. 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 0.9 per cent in 2018 to 1.5 per cent in 2019. This is the highest reported rate since 2015, as shown in Figure 6.

Figure 6 – Vacancy Rates by Halton Municipality, 2019

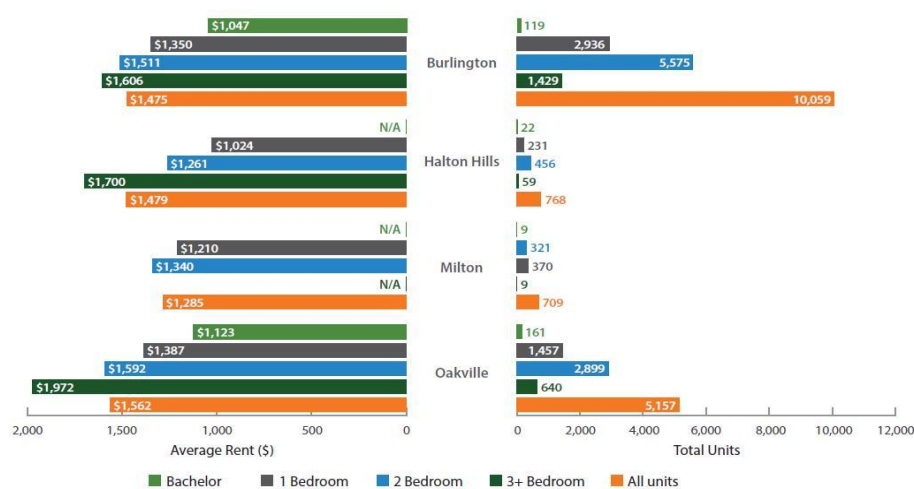


Source: CMHC Rental Market Report, 2015 to 2019

The average rent for all unit types in Halton Region was \$1,479 in 2019, up over 6 per cent from 2018. Locally, the Halton Hills average rent matched that of the Region and was the second highest among the four municipalities, as shown in Figure 7. The overall supply of rental units in the Town saw only a slight increase, from 763 in 2018 to 768 in 2019. It is hoped that the previously mentioned housing projects, and future

additions through the creation of accessory dwelling units will lead to a greater supply of rental housing in Halton Hills.

**Figure 7 – Average Rent by Unit Type for the Halton Municipalities, 2019**



Source: CMHC Rental Market Report, 2019

## 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. This strategy was adopted by Regional Council in October of 2019, outlining policy directions that could be taken to provide a full range of housing to meet the needs of all residents. Under the strategy, Region staff monitors the number of new housing opportunities created, clients served through their 'Housing Help' program, the number of higher density units being created, and housing units sold under the Affordable Threshold.

## Halton Hills Affordable Housing Working Group

The Halton Hills Affordable Housing Working Group has continued to move forward since being established in the spring of 2019. In 2020 the group has worked on a number of items to push the Town's affordable housing agenda forward. These items broadly include:

- Moving forward with a marketing/engagement strategy for our Two-Unit House program;
- Conducting an environmental scan/best practices review of municipalities that have included municipal incentives/tools to stimulate investment in affordable housing; and,
- Exploring partnerships and opportunities with higher orders of government to incentivize the creation of affordable housing.

The Group has also been working on an update to the Halton Hills Community Improvement Plan. This update will include incentives to build affordable housing, which will hopefully lead to a greater supply of affordable rental housing.

#### **RELATIONSHIP TO STRATEGIC PLAN:**

This report relates directly to the implementation of the Town Strategic Plan. Under Shaping Growth, this report supports the priorities of Intensification and Affordable 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 higher density and affordable housing options in Halton Hills.

#### **FINANCIAL IMPACT:**

There is no financial impact associated with this information report.

#### **CONSULTATION:**

Town Economic Development staff was consulted in the preparation of this report.

#### **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.

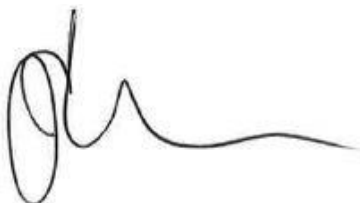
## **CONCLUSION:**

Halton Hills saw a slight increase in the number of units built in 2019, limited to single detached dwellings. New units under the Affordable Threshold remain scarce locally; however a rising vacancy rate is a positive sign for the availability of affordable rental units moving forward. 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, an increased supply of townhouse and apartment dwellings should help 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 cursive script that reads "Bronwyn Parker".

Bronwyn Parker, Director of Planning Policy

A handwritten signature in cursive script, appearing to be "John Linhardt".

John Linhardt, Commissioner of Planning and Development

A handwritten signature in cursive script, appearing to be "Chris Mills".

Chris Mills, Acting Chief Administrative Officer