

High Rent and Low Vacancy



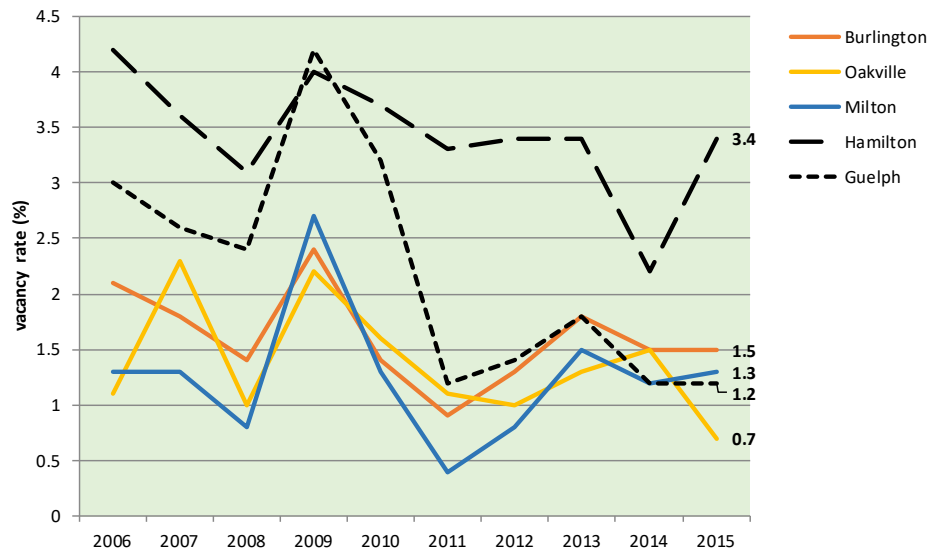
According to Canada Mortgage and Housing Corporation (CMHC), the overall demand for rental accommodation in both the Greater Toronto Area (GTA)¹ and Hamilton will continue to increase. The major driving forces include improving employment opportunities for youth, increasing immigrant population and the eroding affordability of the home ownership market. At the same time, the supply of rental housing is falling behind resulting in lower vacancy rates and higher rents.

Community Lens #85 looked at the primary apartment rental housing market in Halton in 2012 based on CMHC's rental market survey. This Community Lens is an update of the rental housing market in the last three years. The majority (85%) of rental units are apartments. Rental townhouses represent the other 15%. Over half of the apartment are two bedroom units.

Between 2012 and 2015, the number of rental apartment units in Halton increased by 2%. Most of the increase is in the Burlington market which accounts for almost 60% of the regional total.

The limited supply of new apartment units and increasing demand place downward pressure on the vacancy rate. Halton Region has a low vacancy rate of 1.3% for rental apartments in 2015. A vacancy rate of 3% is considered the minimum for a healthy rental market. For the last decade, the vacancy rates in Halton's municipalities remained below the 3% mark. Noticeably, Oakville's vacancy rate fell below the 1% mark in 2015.

Private Apartment Vacancy Rates, 2006-2015



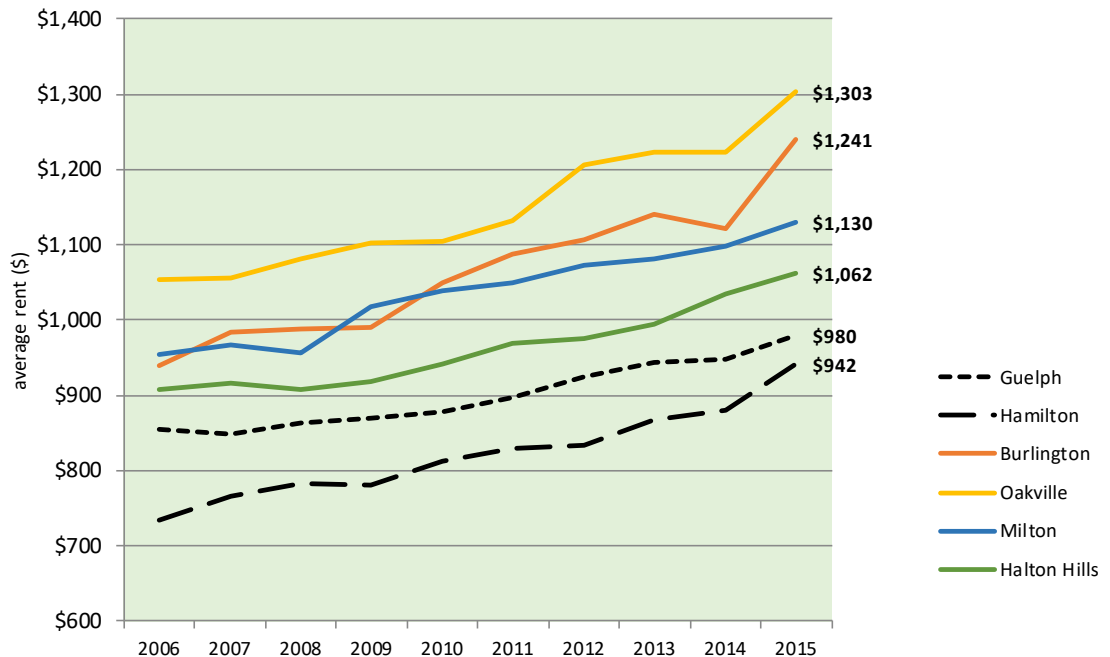
Source: CMHC Rental Market Survey

¹ Includes Toronto, Peel, York, Durham and Halton

The average rent for apartment units continues its upward trend for the last decade. Within the GTA, Halton Region has the highest monthly rent for apartment units. Oakville has the highest rent among the local municipalities. Its average rent increased by 24% to over \$1,300. Halton Hills has the lowest rent of \$1,062, which is an increase of 17%.

The rent in each of Halton's municipalities is significantly higher than those of neighbouring Hamilton and Guelph. The rent in Oakville is about 38% higher than that of Hamilton and 33% of Guelph respectively.

Private Apartment Average Rents, 2006-2015



Source: CMHC Rental Market Survey

According to Statistics Canada's 2013 Survey of Household Spending, shelter cost accounts for 30% of the average household spending on goods and services in Ontario. When rent becomes unaffordable, individuals or families have to forgo other daily necessities such as food, clothing and transportation. This adds stress to people's lives. In some cases, they may have to uproot from their communities and move to somewhere with more affordable housing.

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