

Rental Housing – 2019

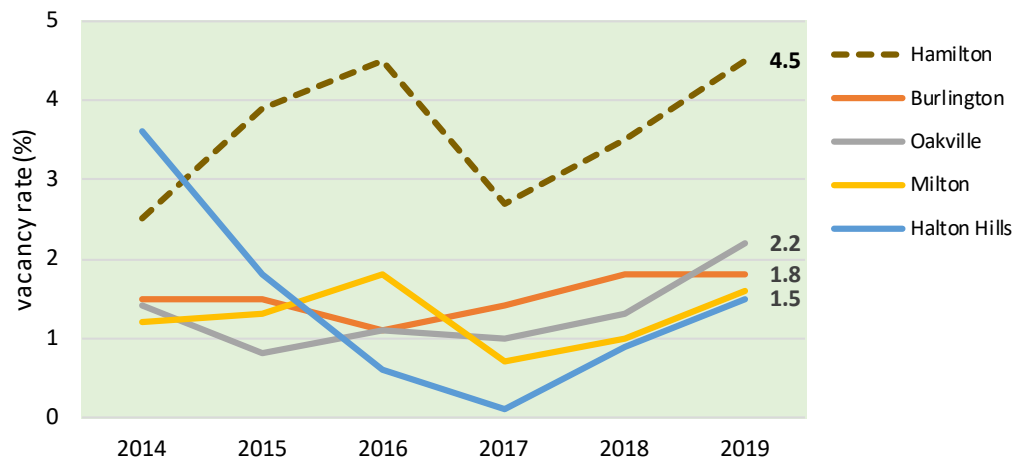
According to the latest Canada Mortgage and Housing Corporation’s (CMHC) housing report¹, the rental housing market in the Greater Toronto Area (GTA)² remains tight. High home ownership costs coupled with tightened mortgage regulations have encouraged residents to continue to seek or remain in rental accommodation. The insufficient supply of rental units continues to place downward pressure on the overall rental vacancy rate.

In the last five years (2014-2019), about 900 purpose-built³ rental units were added to Halton’s rental housing stock. This represents a 6% increase from 14,400 to 15,300 units. Most (over 90%) of the units are in Oakville and Burlington. Over half (58%) of the units are two-bedroom and 32% are with one-bedroom.

A vacancy rate of 3% is generally considered the minimum for a healthy rental market. Halton’s vacancy rate for purpose-built apartments stands at 1.9%. The vacancy rate in neighbouring Hamilton is 4.5%.

A 10% increase in the supply of rental apartments in Oakville between 2018 and 2019 raised the vacancy rate from 1.3% to 2.2%. On the other hand, Burlington has added over 170 units between 2018 and 2019. However, its vacancy rate remains unchanged at 1.8%.

Private Apartment Vacancy Rates, 2014-2019



Community Development Halton/Source: CMHC Rental Market Report

In the GTA, the tight rental purpose-built market condition has extended to the secondary rental market. Between 2014 and 2018, the number of rental condominium apartments in Halton increased by 115% to 3,900 units. It represents about 20% of the total rental units (purpose-built and condominium) in Halton. In 2018, over one in five (21%) of the condominium apartments in Halton were rented out. The average for the GTA was 32.7%.

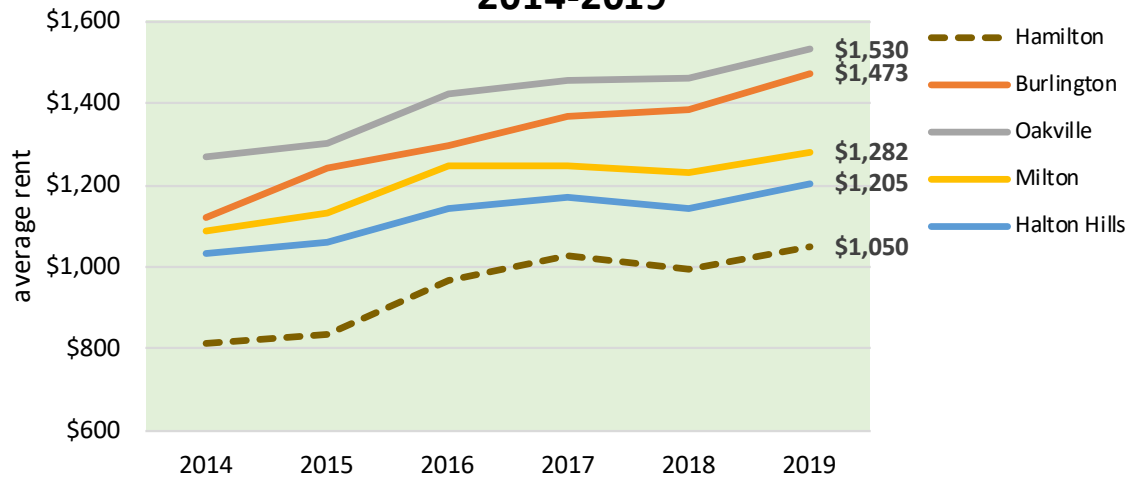
1 Canada Mortgage and Housing Corporation, *Rental Market Report - Greater Toronto Area*, January 15, 2020.

2 Includes Toronto, Peel, York, Durham, and Halton.

3 Purpose-built rental housing is designed and built expressly as long-term rental accommodation. It is different from other types of rentals, such as condominiums or secondary suites, which may be available in the rental pool one year and not the next.

The average rent for purpose-built apartments continues to rise. In the GTA, Halton Region has the highest average monthly rent of \$1,467, slightly higher than the GTA average and significantly (40%) higher than the City of Hamilton. Burlington experienced the highest increase in average rent of 31% between 2014 and 2019, followed by Oakville at 20%.

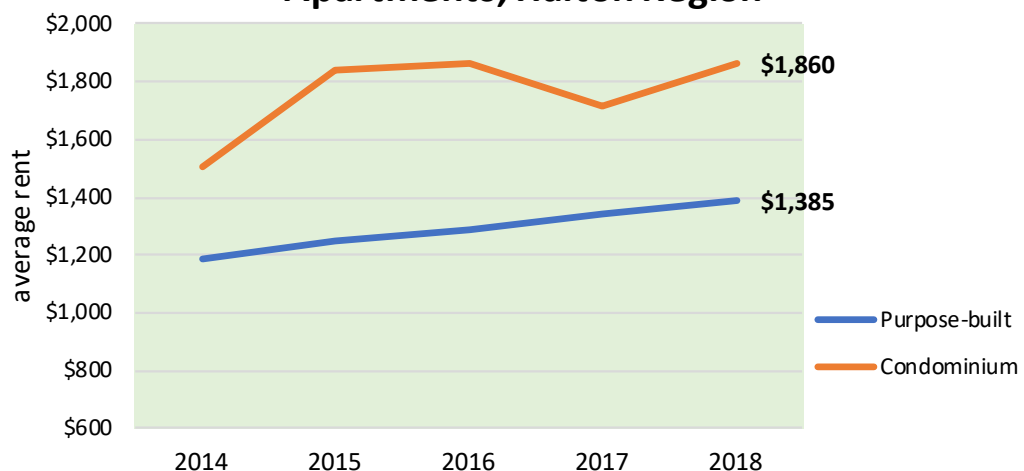
Private Apartment Average Rents 2014-2019



Community Development Halton/Source: CMHC, Rental Market Report

The average rent for condominium apartments is generally higher than the rent for purpose-built apartments. In 2018, the difference is about 32%. The rent for condominium also increases faster. Between 2014-2018, it has grown by 23% compared to 16% for purpose-built apartments.

Average Rent, Purpose-Built and Condominium Apartments, Halton Region



Community Development Halton/Source: CMHC Rental Market Report



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