

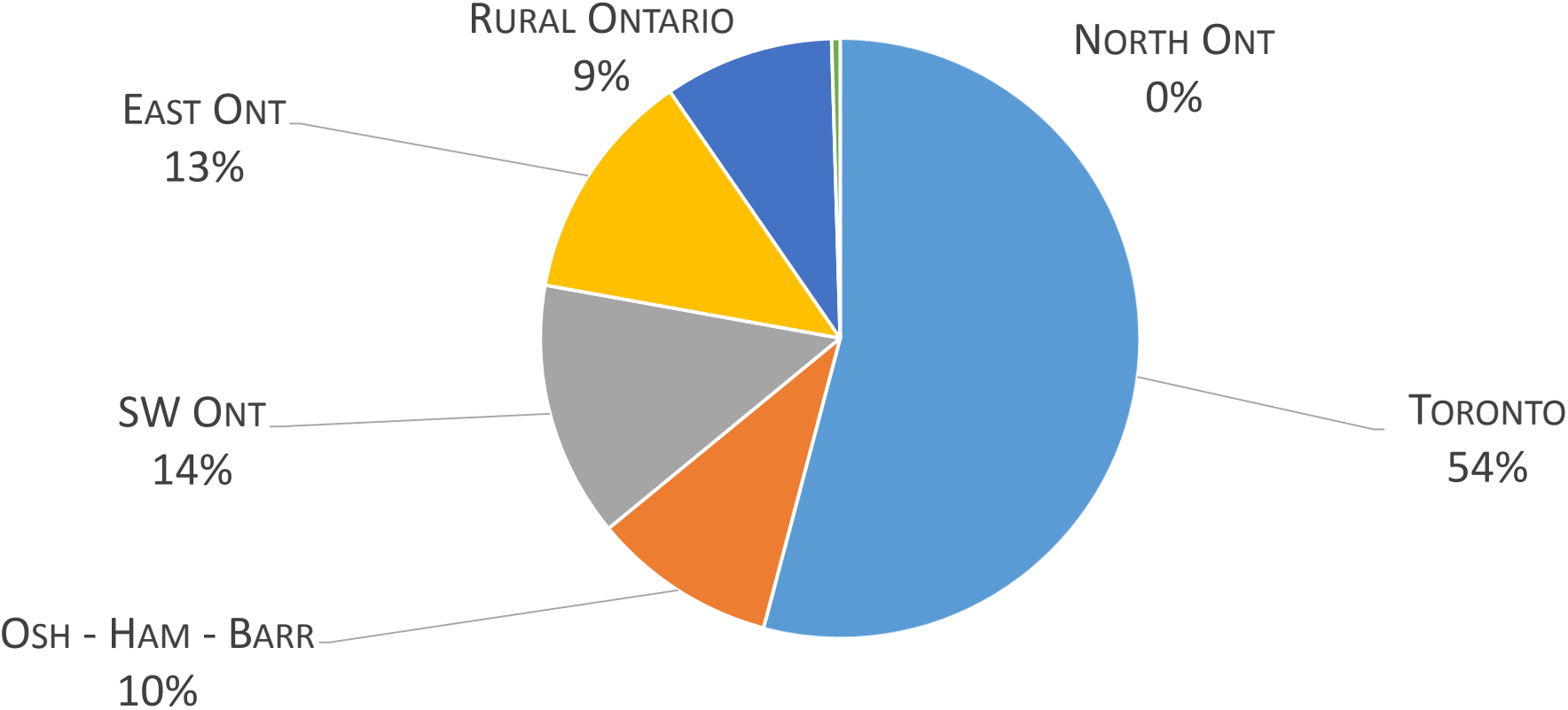
# Housing Update Ontario

Starts and Trends for 2018

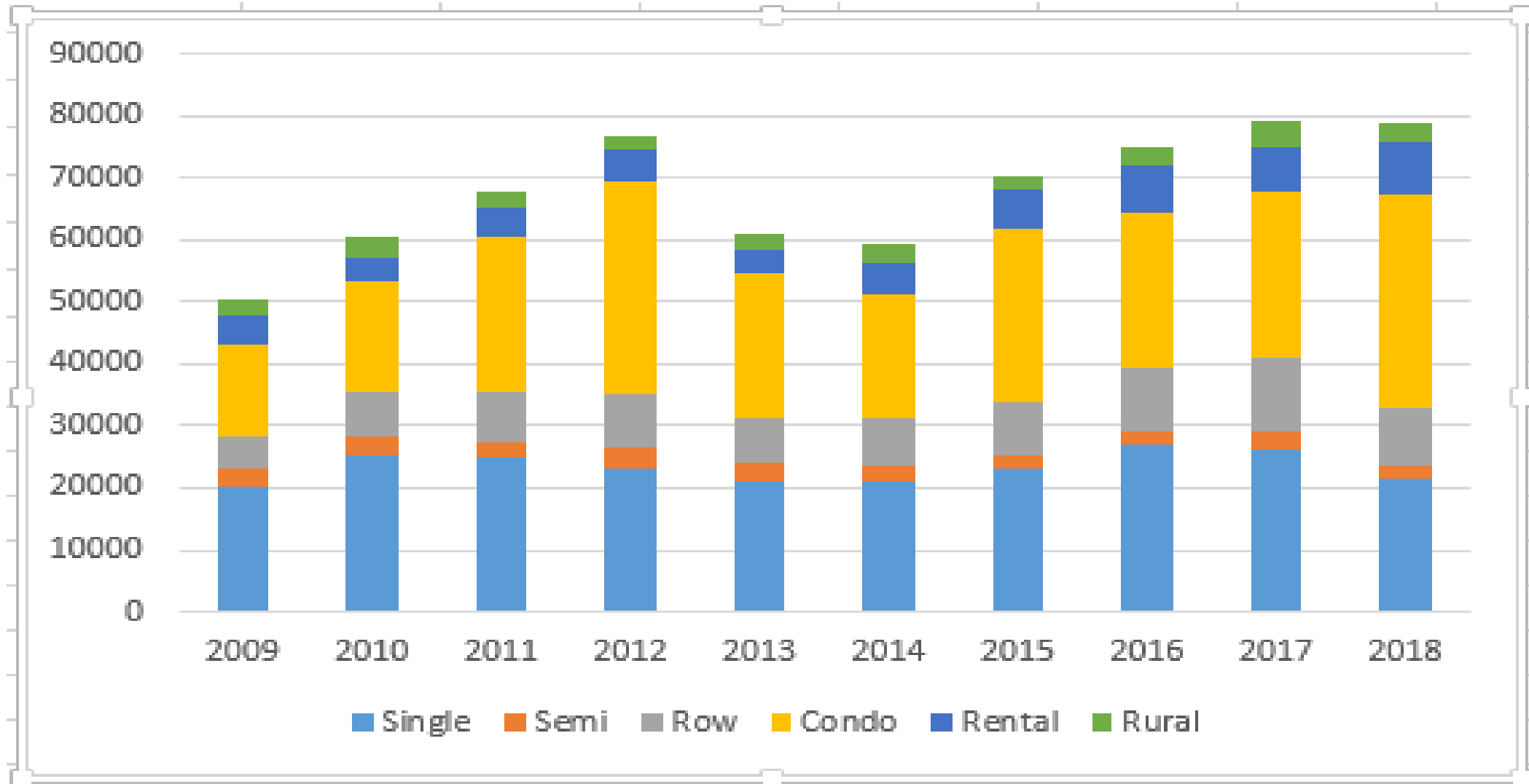
# Topics of Discussion

- New Housing Starts in Ontario
- Housing starts local area
- Pricing and affordability in Canada and Ontario

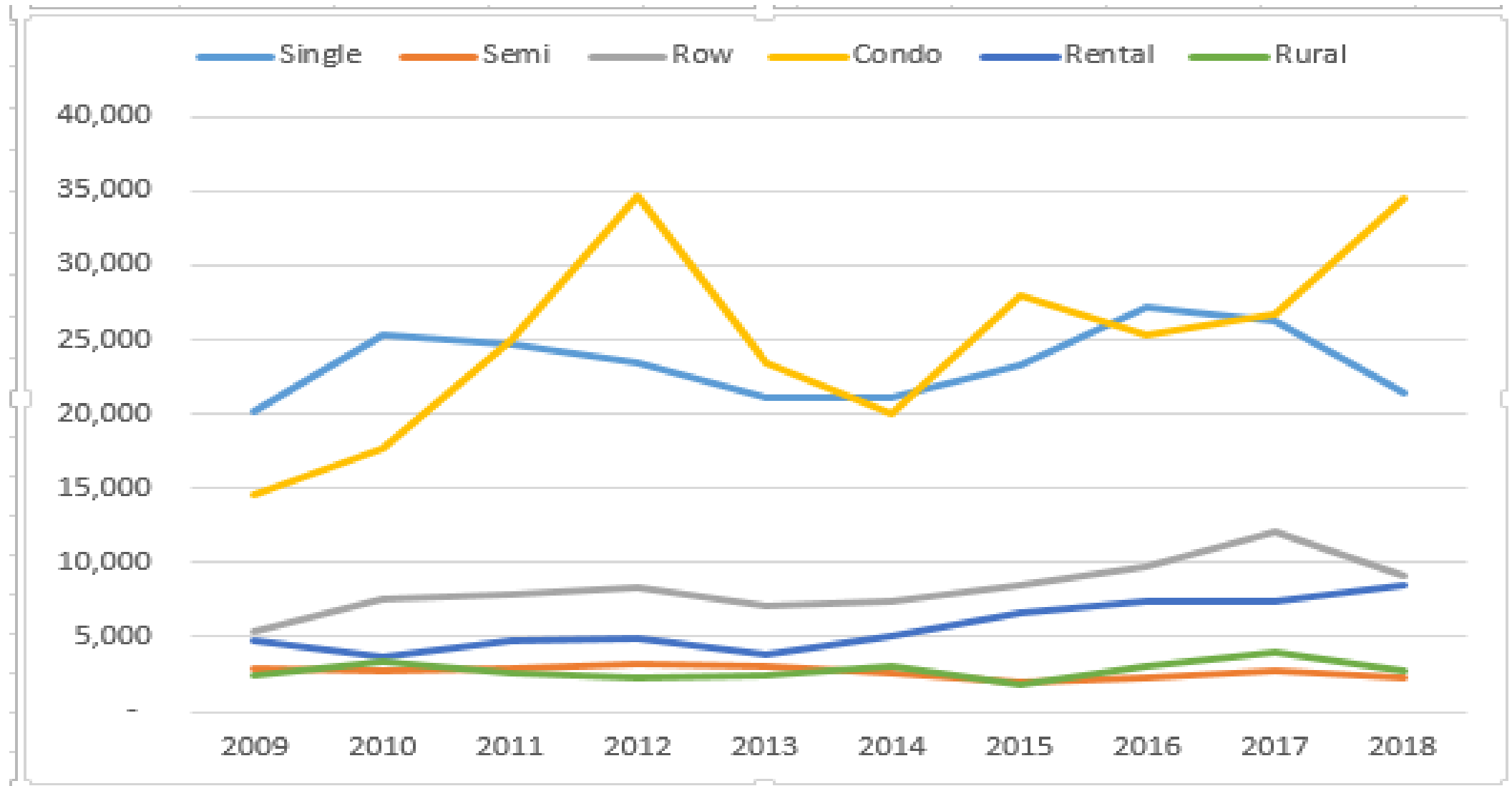
# Housing Starts Jan – Dec 2018



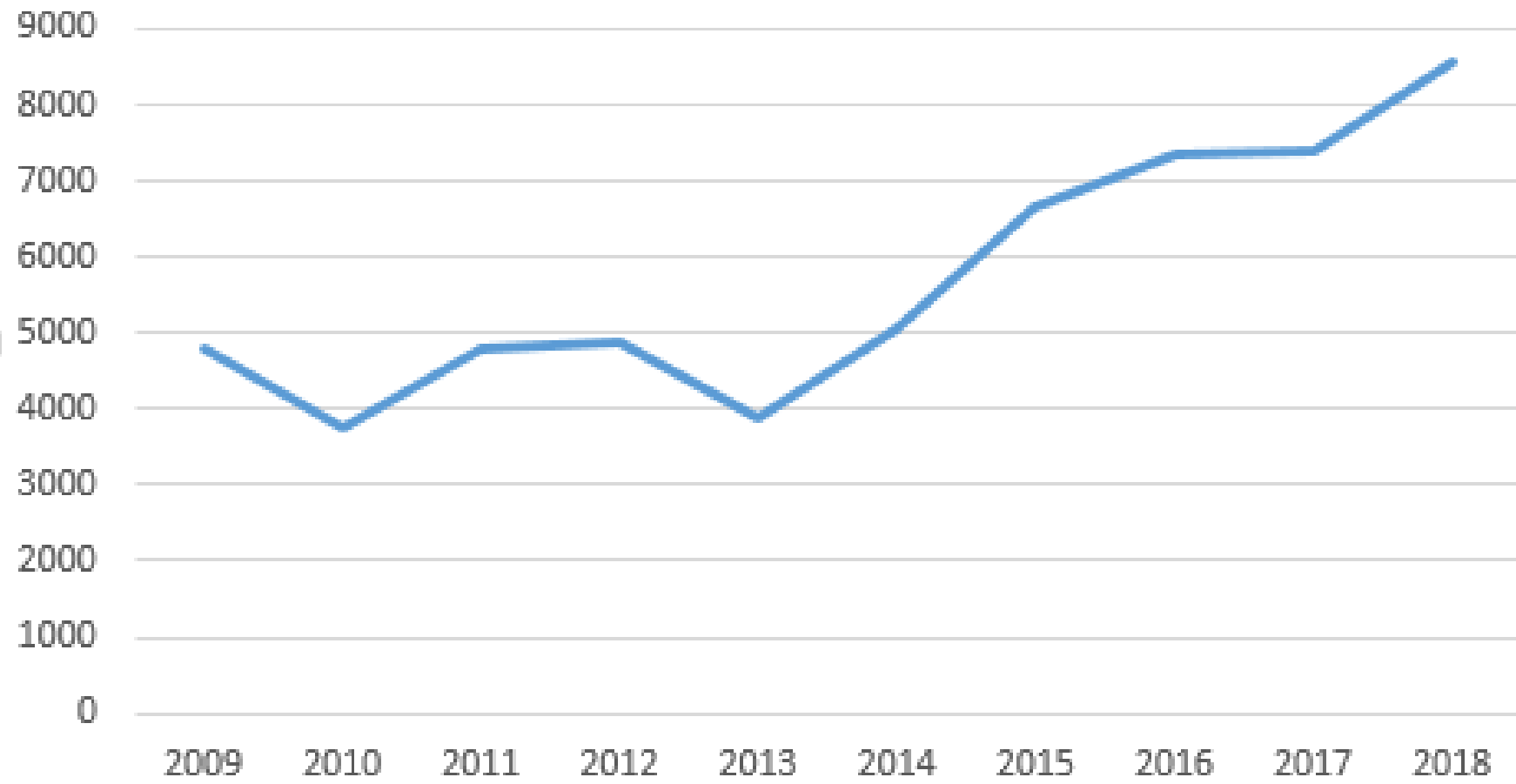
# New Housing Units In Ontario – 2009 to 2018



# Ontario Housing Starts by type 2009 - 2018



## Rental Units Built



# Total Housing Starts in Ontario

2018 – 75,956

2017 – 75,203

Increase 1% YOY

**Table 2.1: Starts by Submarket and by Dwelling Type  
Ontario Region  
January - December 2018**

Submarket	Single		Semi		Row		Apt. & Other		Total		
	YTD 2018	YTD 2017	YTD 2018	YTD 2017	YTD 2018	YTD 2017	YTD 2018	YTD 2017	YTD 2018	YTD 2017	% Change
<b>Centres 100,000+</b>											
Barrie	580	691	4	20	240	442	572	225	1,396	1,378	1.3
Belleville	394	442	28	38	94	109	127	77	643	666	-3.5
Brantford	396	180	14	8	342	170	0	57	752	415	81.2
Greater Sudbury	136	130	32	18	16	27	5	20	189	195	-3.1
Guelph	142	243	14	70	328	134	638	576	1,122	1,023	9.7
Hamilton	661	704	92	92	1,060	929	1,803	1,168	3,616	2,893	25.0
Kingston	321	315	46	24	156	114	387	239	910	692	31.5
Kitchener	996	1,095	56	70	341	715	1,710	1,970	3,103	3,850	-19.4
London	1,415	1,840	32	26	614	759	618	1,342	2,679	3,967	-32.5
Oshawa	1,308	1,208	72	60	383	824	769	743	2,532	2,835	-10.7
Ottawa	2,718	2,283	372	271	1,986	1,961	2,463	2,942	7,539	7,457	1.1
Peterborough	336	275	12	14	79	98	16	8	443	395	12.2
St. Catharines-Niagara	717	1,266	120	104	581	614	445	212	1,863	2,196	-15.2
Thunder Bay	123	120	2	10	25	0	8	154	158	284	-44.4
Toronto	6,405	10,172	926	1,410	4,137	6,982	29,639	20,174	41,107	38,738	6.1
Windsor	583	760	90	178	167	188	112	61	952	1,187	-19.8

# Provincial Housing Trends YTD Sep 2017

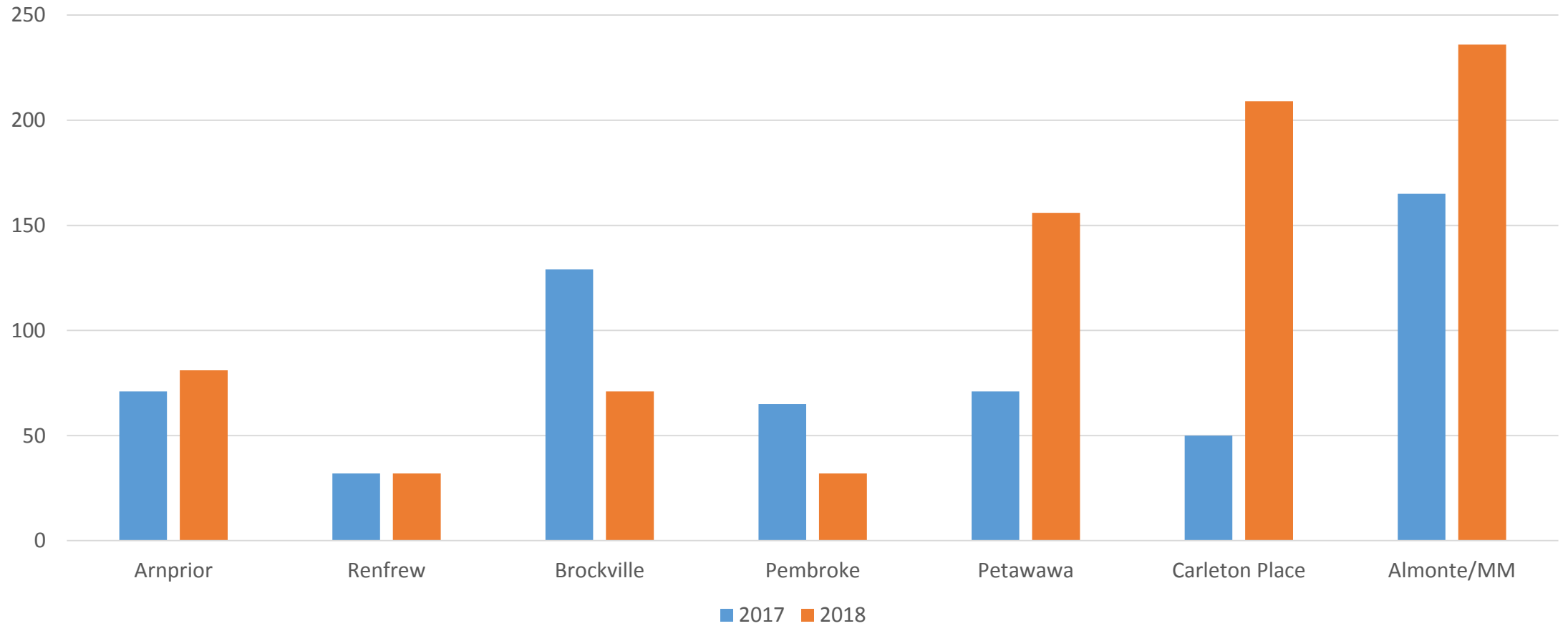
- Overall provincial housing starts are up 1%
  - Freehold **decreased** 20%
  - Condos **increased** 29%
  - Rentals **increased** 16%
- Toronto up 6% in housing starts
- Unabsorbed condos in province has corrected
  - 1600 in 2016;
  - 600 in 2017;
  - 200 in 2018



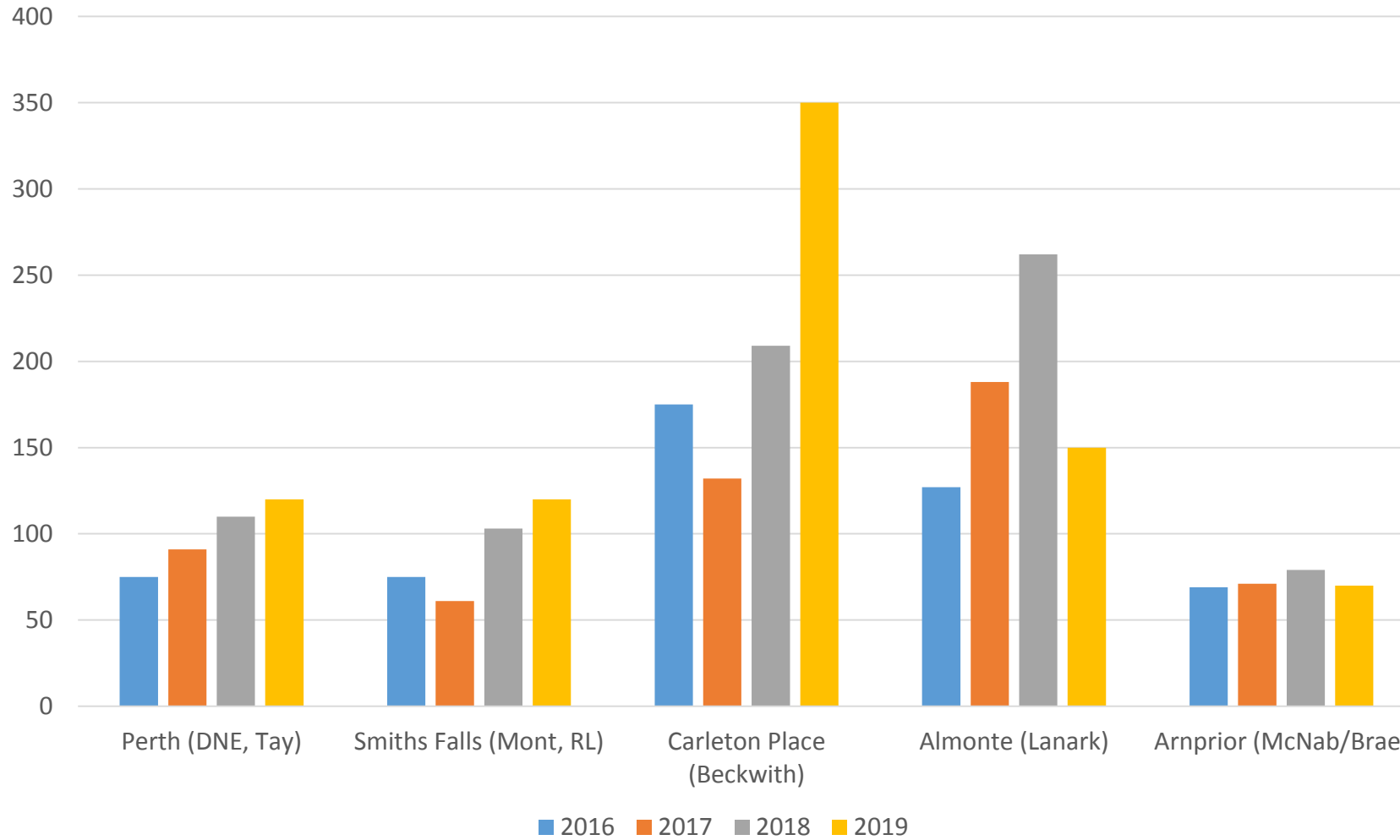
# Eastern Ontario Housing Data

- CMHC data on municipalities 10,000+
- MLS data from Rivington Associates Commercial Division
- Survey of local Municipalities and questionnaire
  - Smiths Falls, Carleton Place, Drummond/North Elmsley, Tay Valley, Montague, Rideau Lakes, Beckwith, Lanark Highlands, Renfrew, Perth and Merrickville/Wolford

# Regional Housing Starts



# Towns Surrounding Ottawa: New Housing Starts



# Smiths Falls

Name of Development	Type of Units	# Units
Rideau Hotel has been purchased by Parkview Homes. Parkview plans to convert the hotel in residential units.	Detached/Semi/Towns	25
Bellamy Farms Phase 1	Detached/Semi/Towns	63
Maple Ridge Phase 1	Detached only	~20
73-77 Elmsley Street	Rowhouse apartments	7 new

- Beckwith Street reconstruction project.
- New boat docks in the Victoria basin will be over \$300,000. Their North American marketing headquarters has relocated to Smiths Falls, with 10 new jobs and 35 indirect jobs.
- Tweed has expanded to over 800 employees, with construction underway for a new bottling facility for cannabis infused non-alcoholic beverages.
- Old maintenance facility has been sold to Cylone Blowers and Bio Gliss. Cylone Blower will manufacture a high-end snow blower. Bio Gliss is a company that manufactures and supplies snow traction products.
- We have two new sign manufacturing company- Howling Designs.
- New restaurants opening downtown (Shawarma on the Falls, Axe & Arrow Gastropub), with Boston Pizza expected soon at the Settlers Ridge Centre.

# Perth

Name of Development	Type of Units	# Units
Perthmore Subdivision	Detached/Semi/Towns	16
Perth Meadows Subdivision	Detached/Semi/Towns	22
Harris Street	Detached/Semis/Townhouses/Condo/Apartment	6

New/Changing Infrastructure: SAGR system added to Sewage Lagoons which expand capacity from 6,200 persons to 8,200 persons – currently under construction (\$10,000,000) with plan to be operational July 2018. Water Capacity to support 8,200 persons.

ii) New/Changing employment of Businesses: Very stable. At least two existing industry running two/three shifts with mandatory overtime. Very limited vacant commercial space in downtown core.

iii) New changing Tourism or other economic Development: New Assisted Seniors Residence planned for construction spring 2018 with occupancy spring 2019. New Craft Brewery planned for 2018.

New commercial investment in Perth Mews.

Loblaws property on Highway #7 for sale.

Multiple inquiries about opportunities for multiple residential development.

# Mississippi Mills

Name of Development	Type of Units	# Units
River Front Estates	Detached only	12
	Detached/Semi/Towns	139
	Detached/Semis/Townhouses/Condo/Apartment	151
Mills Run Estate	Detached only	18
	Detached/Semi/Towns	26
	Apartment/Condominium	0
	Detached/Semis/Townhouses/Condo/Apartment	44

- infrastructure renewal for our Downtown in Almonte. This will involve tearing up the road in sections to replace water and sewer. Traffic will be limited. Construction is anticipated for 2021.
- Mississippi Mills does not currently have a Chamber or BIA. Recently some informal BIA type groups have begun to organize in both Almonte and Pakenham.
- do not have a large hotel in our Municipality. We have a few B&Bs and one inn. This means our tourism is largely of day trips.

# Carleton Place

Name of Development	Type of Units	# Units
Highgate Subdivision	Detached/Semi/Towns	110 (detached and semi's only) – Almost finished
Carleton Landing North Subdivision (name change)	Detached/Semi/Towns	442
Jackson Ridge	Detached/Semi/Towns	149
Brigil King Street Subdivision	Detached/Semi/Towns	22 (townhouses only) – Almost finished
Miller's Crossing	Detached/Semi/Towns	282
Jackson Homes Apts.	Apartment/Condominium	6
Inverness Homes Apts.	Apartment/Condominium	40
Johanne's Court	Apartment/Condominium	148
Market Square Apts.	Apartment/Condominium	51
McArthur Square	Apartment/Condominium	58
Cavanagh – Bodnar Lands	Detached/Semis/Townhouses/Condo/Apartment	582
175 Townline Road East	Detached/Semi/Towns	9 (Stacked Townhouses)
Taber Street Subdivision	Detached/Semi/Towns	19 (Townhouses only)
Carmichael Farm Subdivision	Detached/Semis/Townhouses/Condo/Apartment	377
Brigil – Monro Street Subdivision	Detached/Semi/Towns	42 (Townhouses only)
Inverness Homes	Detached/Semi/Towns	4
Private Builder	Apartment/Condominium	4
Private Builder	Detached/Semi/Towns	4

# Carleton Place - Continued

## New/Changing Infrastructure:

- a. Five new large subdivisions with new roads, services, pumping station etc...
- b. New Public Works yard off Bates Drive – still being developed from 2017

## New/Changing employment of Businesses:

- a. Comfort Inn and Suites
- b. New high end restaurant with large patio on Mill Street along the river, “Boulton House”
- c. The development of a new Business Park off of Hooper Street on Roe Street
- d. New commercial office building on Hooper Street
- e. Kids World on Industrial Avenue
- f. New Beer Store off of McNeely Avenue
- g. Expansion of Heritage Fitness on Costello Drive

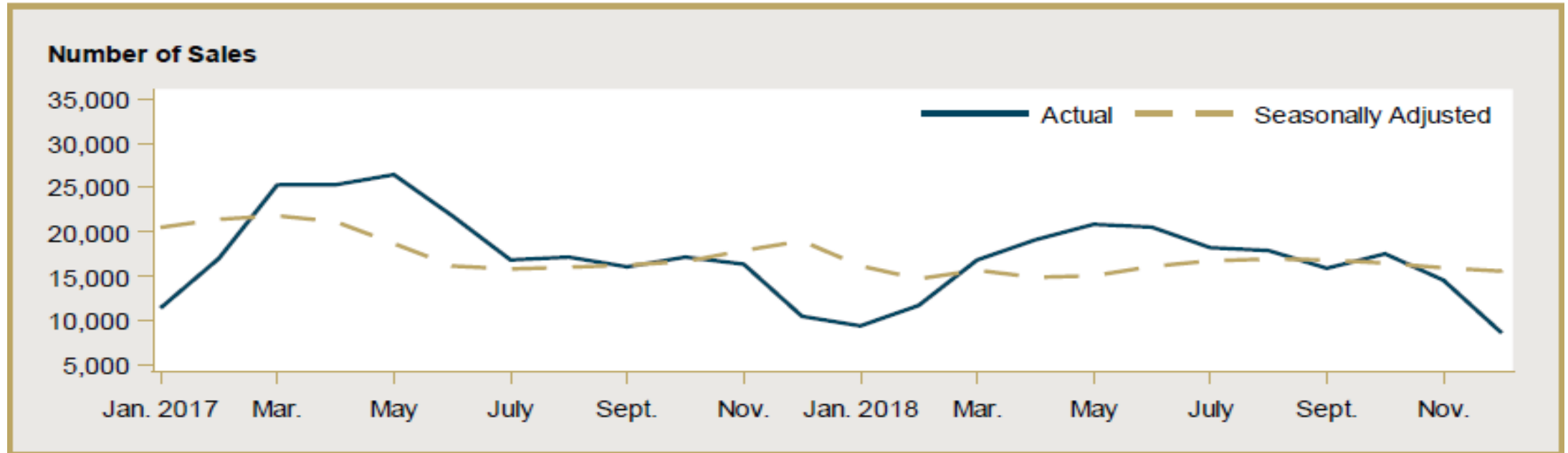
## New changing Tourism or other economic Development:

Town of Carleton Place and the County of Lanark partnered with the ‘Business Retention and Expansion Program’ in 2018. It is anticipated that the Rail Trail, developed in 2018, will bring new tourism to the Town.

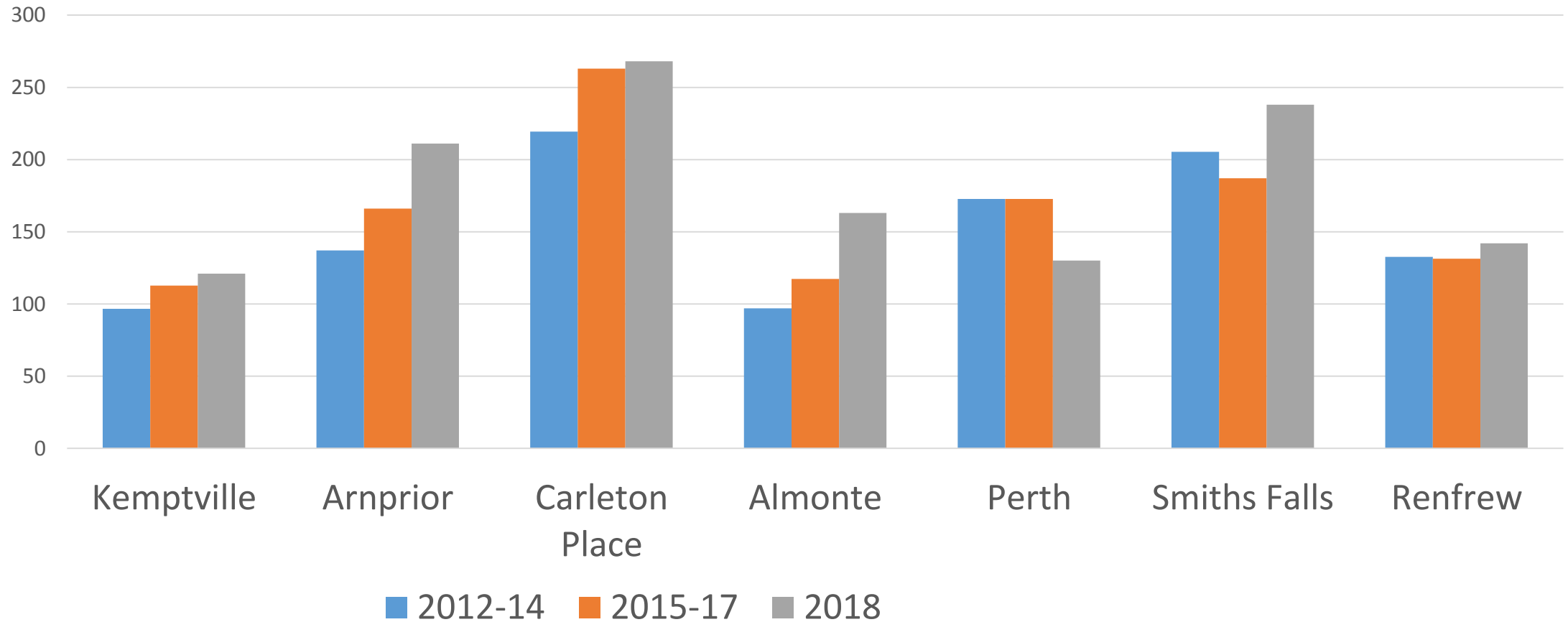


# Number of residential sales

Figure 5.2: MLS® Residential Sales for Ontario

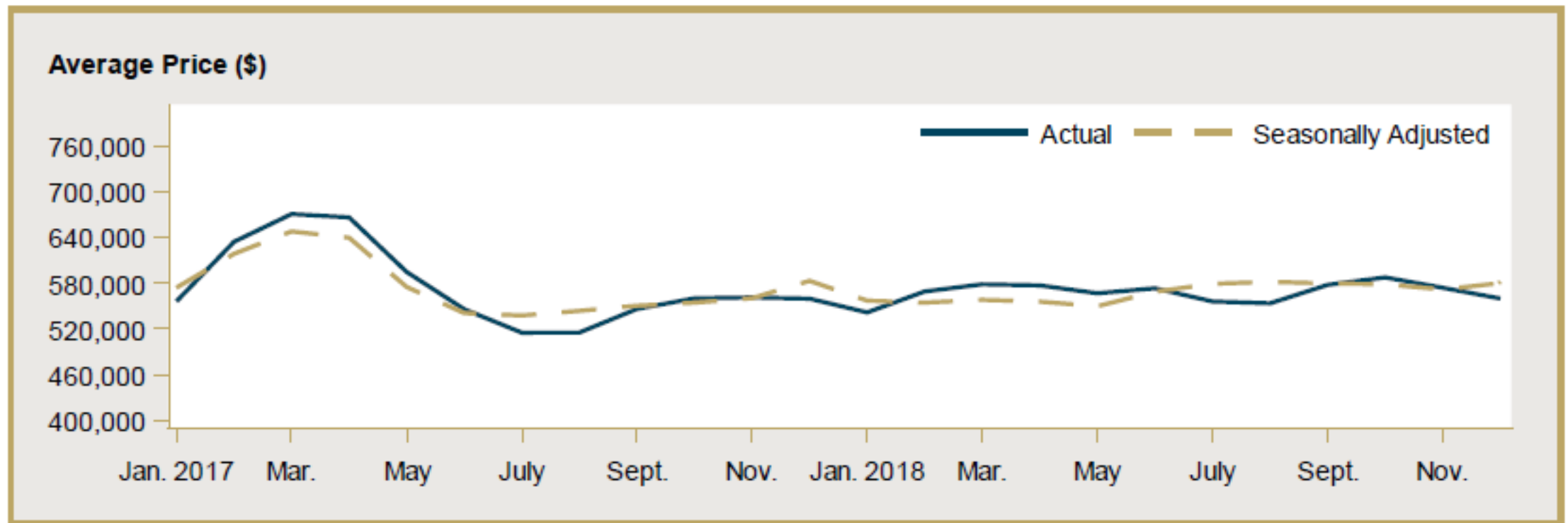


# Number of MLS Sales 2018 VS. 3 year averages

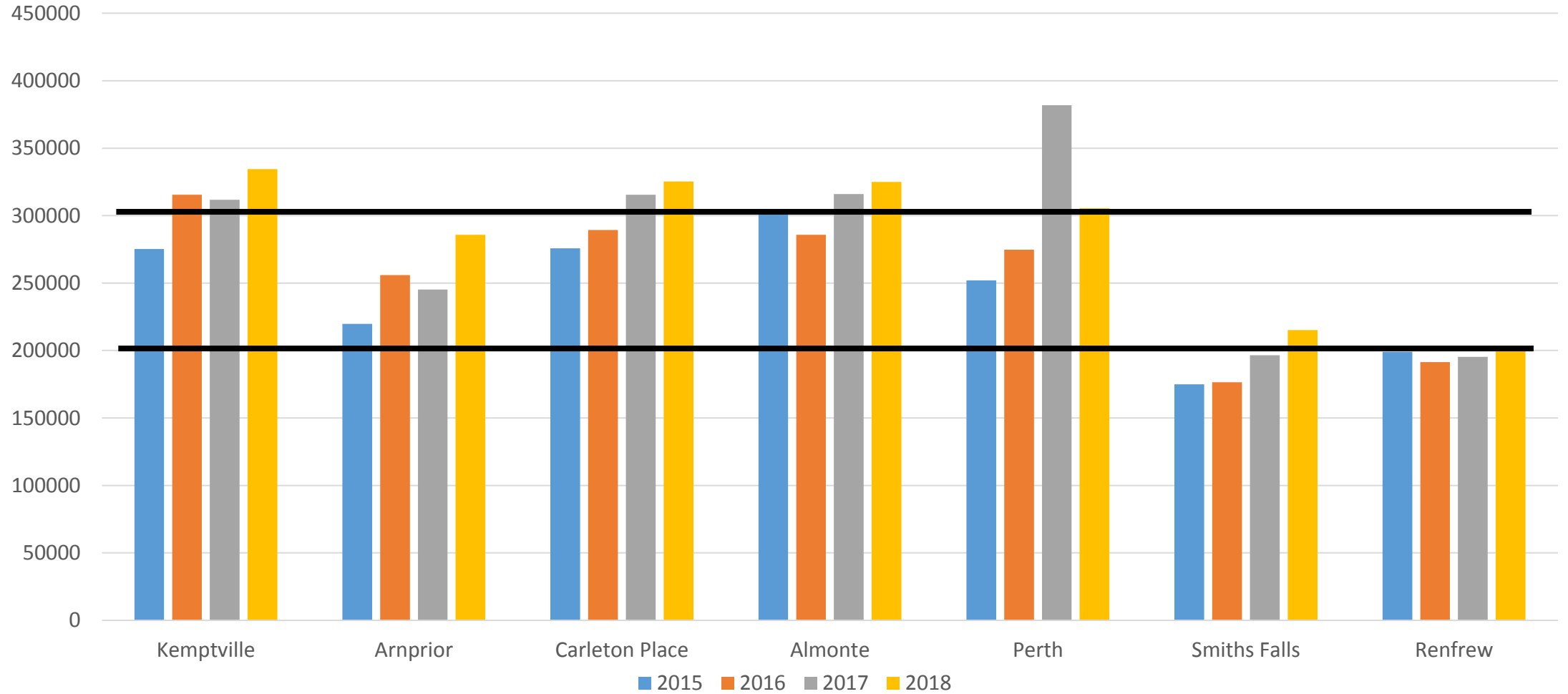


# MLS sales Data: AVG price and number sales

Figure 5.1: MLS® Residential Average Price for Ontario



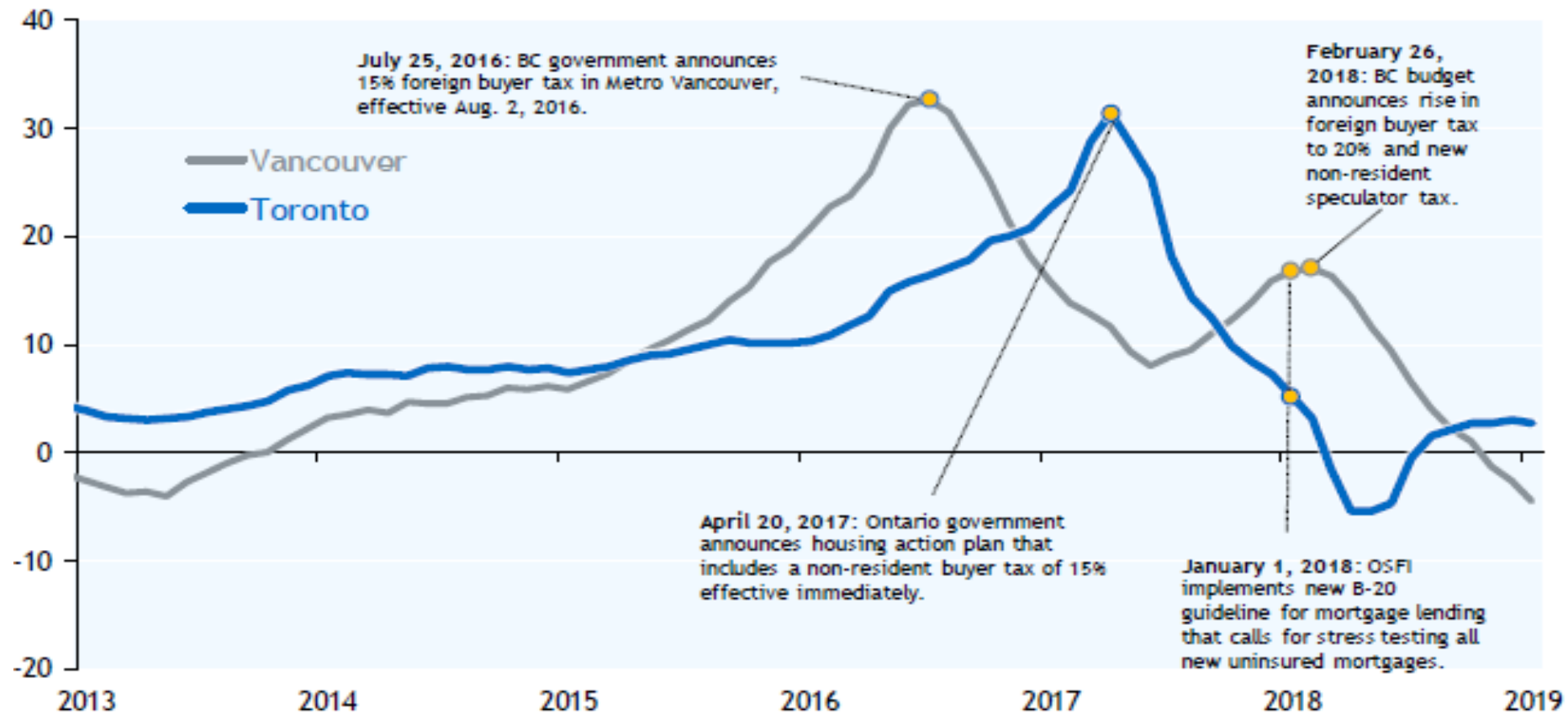
# Average price MLS



# Vancouver & Toronto Markets

## MLS Home Price Index

Year-over-year % change

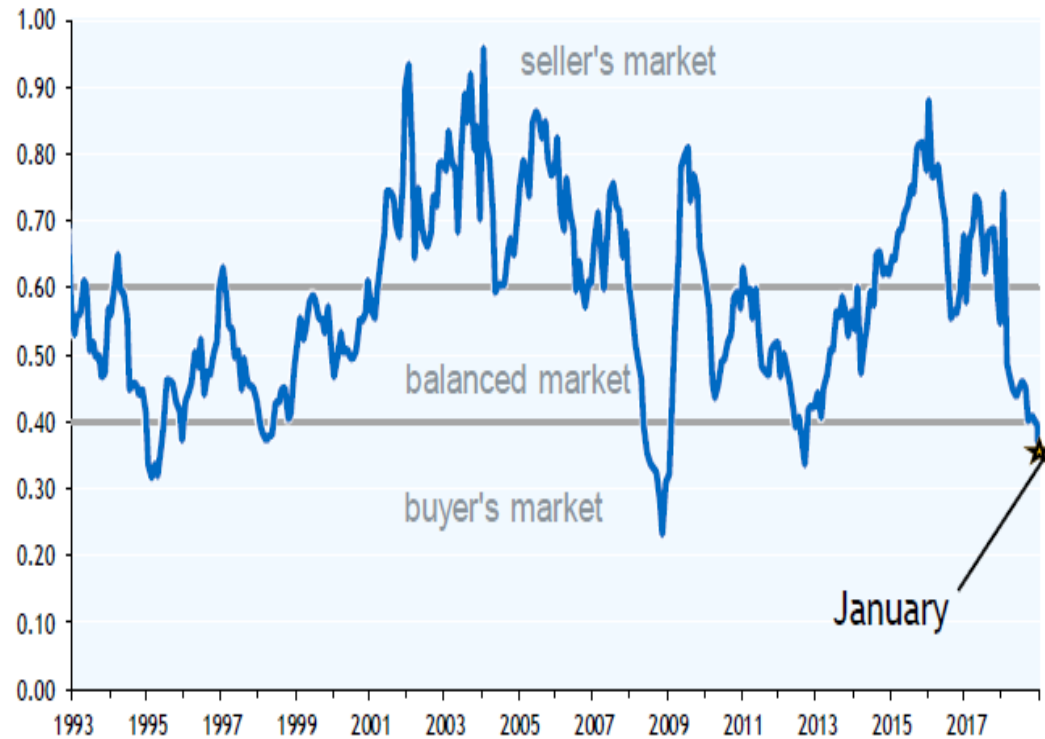


Source: CREA, TREB, REBGV, RBC Economic Research

# Vancouver & Toronto - continued

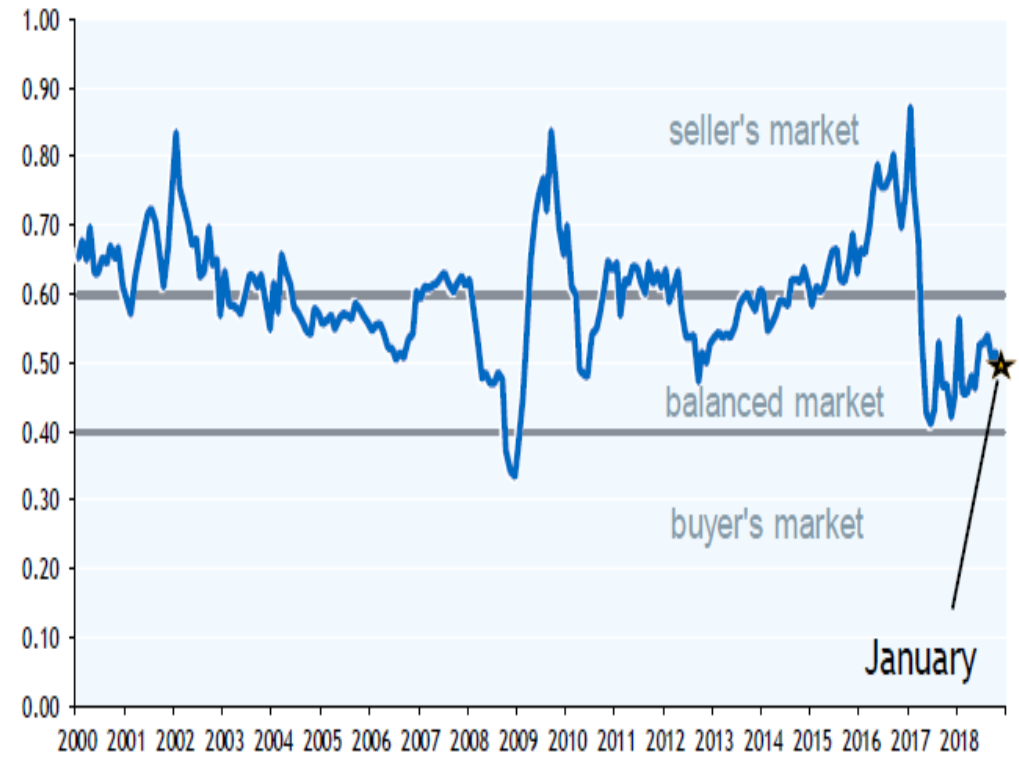
## Vancouver-area sales-to-new listings ratio

Seasonally adjusted

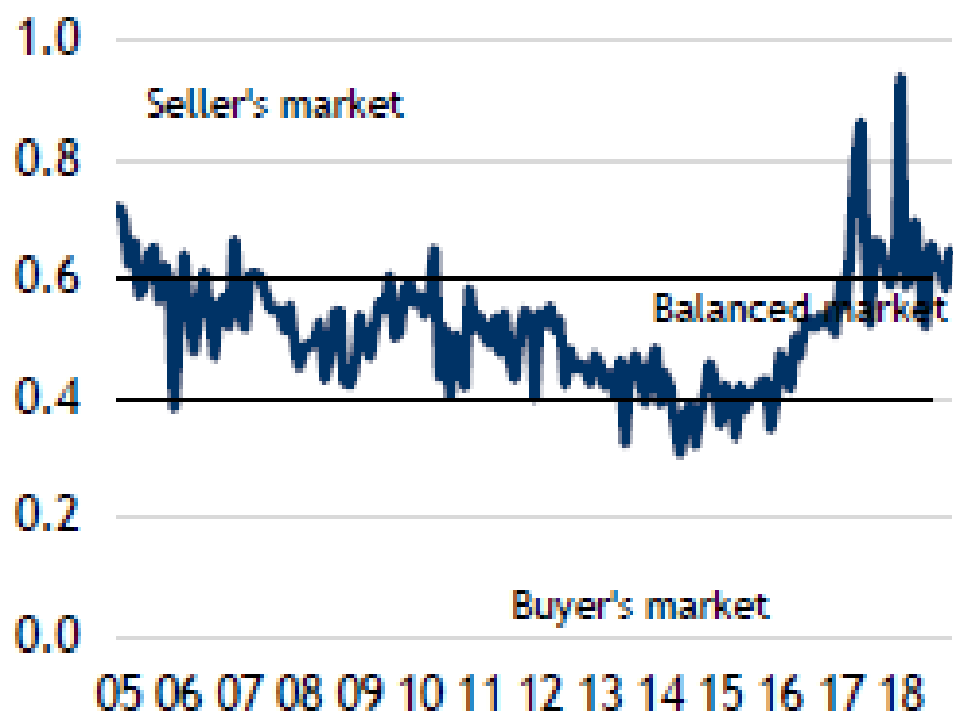


## Toronto-area sales-to-new listings ratio

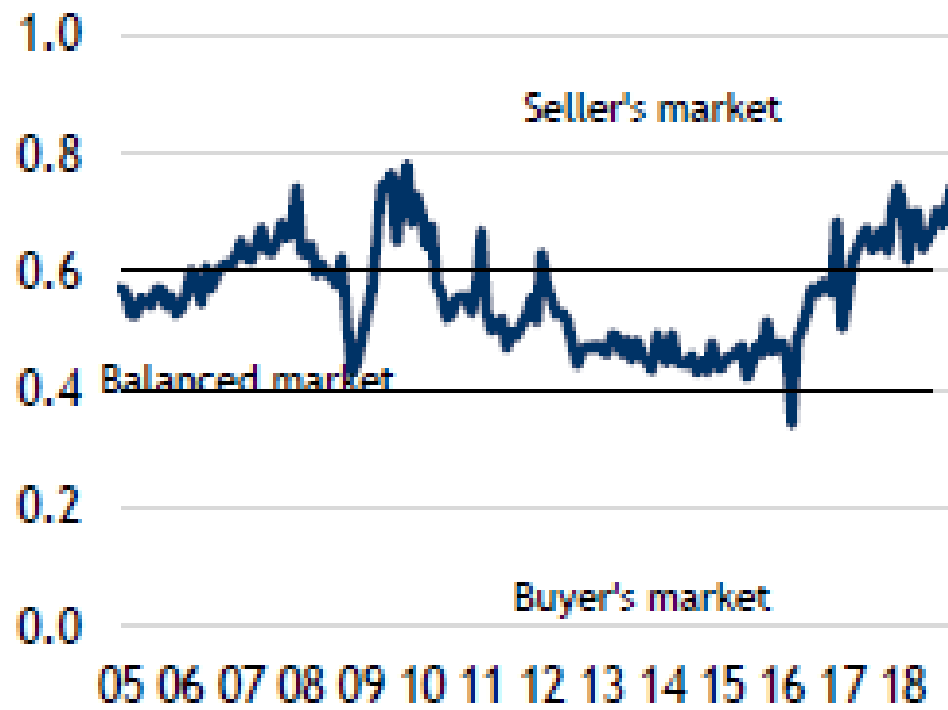
Seasonally adjusted



## Kingston

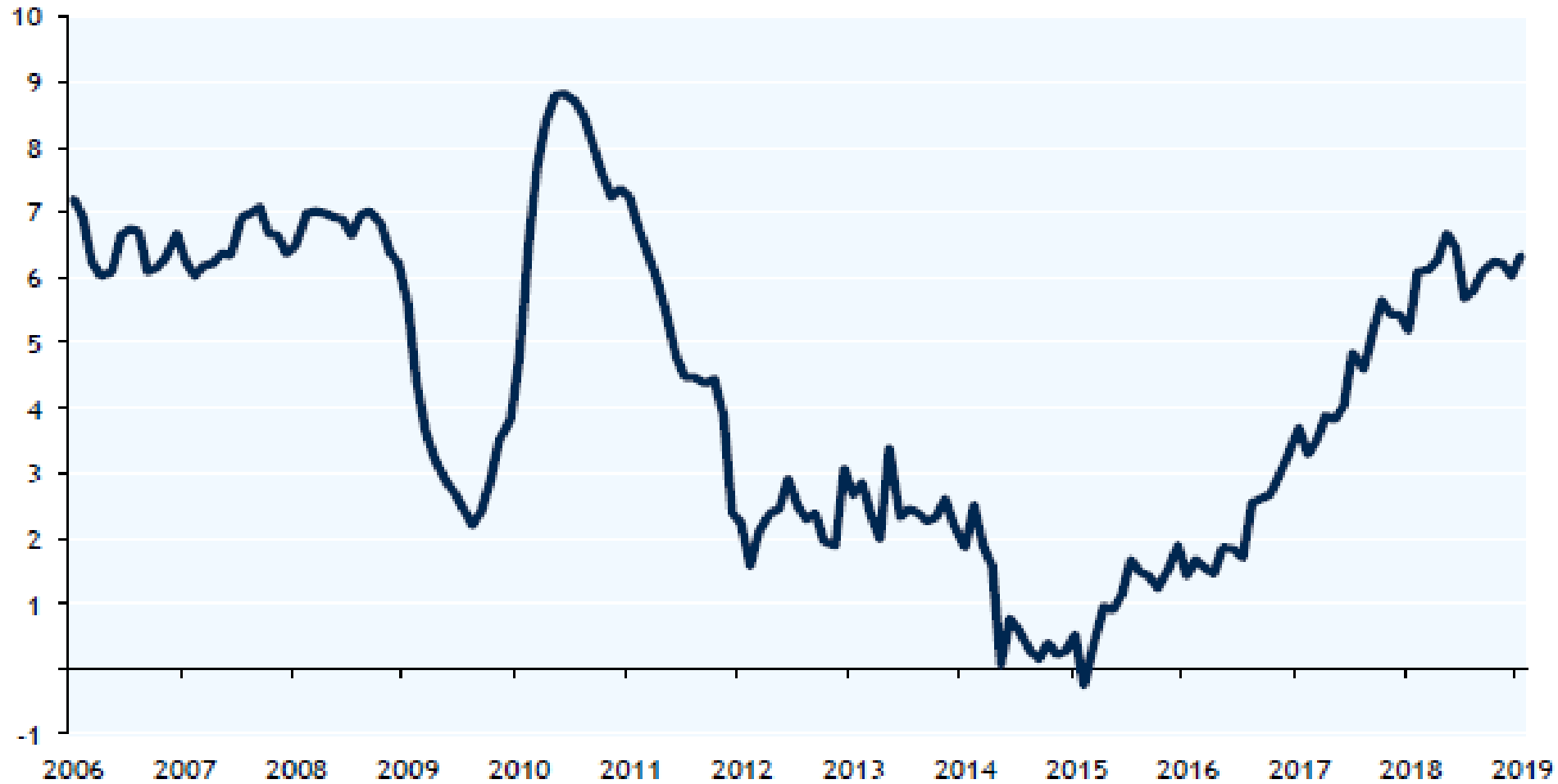


## Ottawa



# MLS Home Price Index - Montreal

Year-over-year % change in the composite index



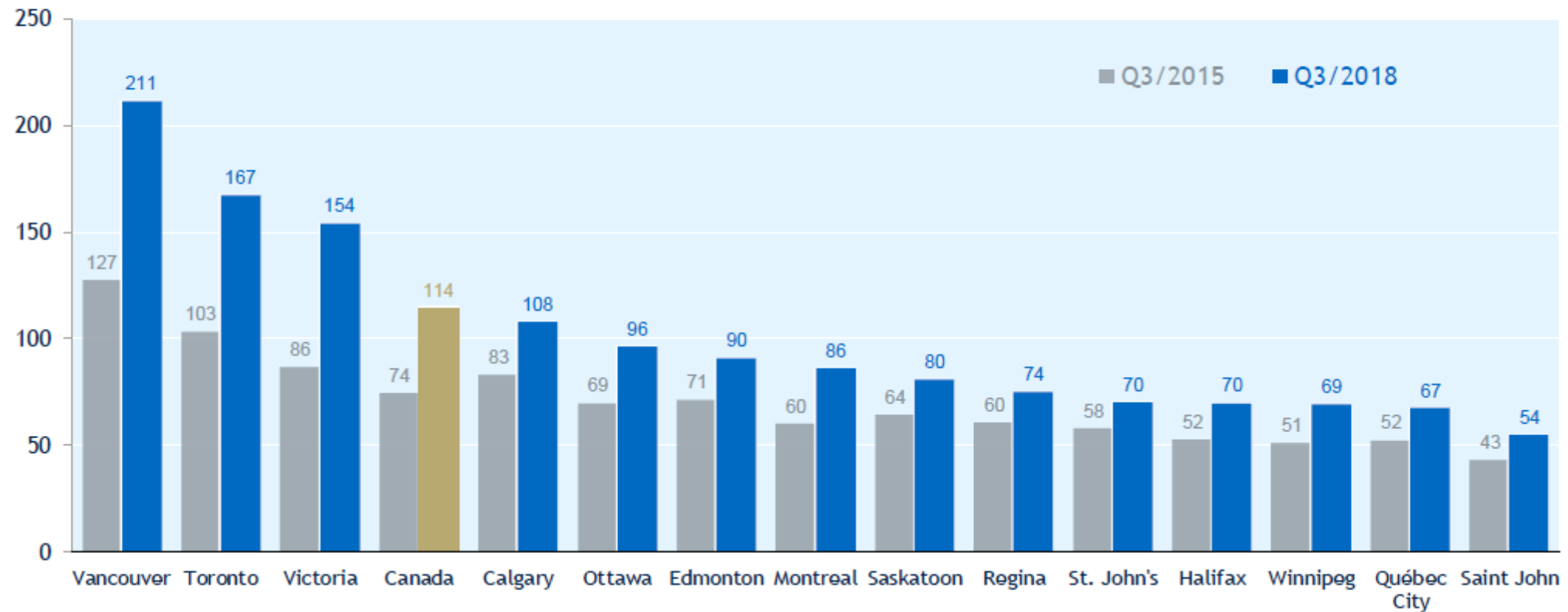
Source: CREA, RBC Economics Research



# Housing Affordability; not since 1990...

## Canadian households now need much higher income to qualify to buy a home

Income required to cover the costs of owning an average home with a 25% down payment and clear the mortgage stress test, thousand \$



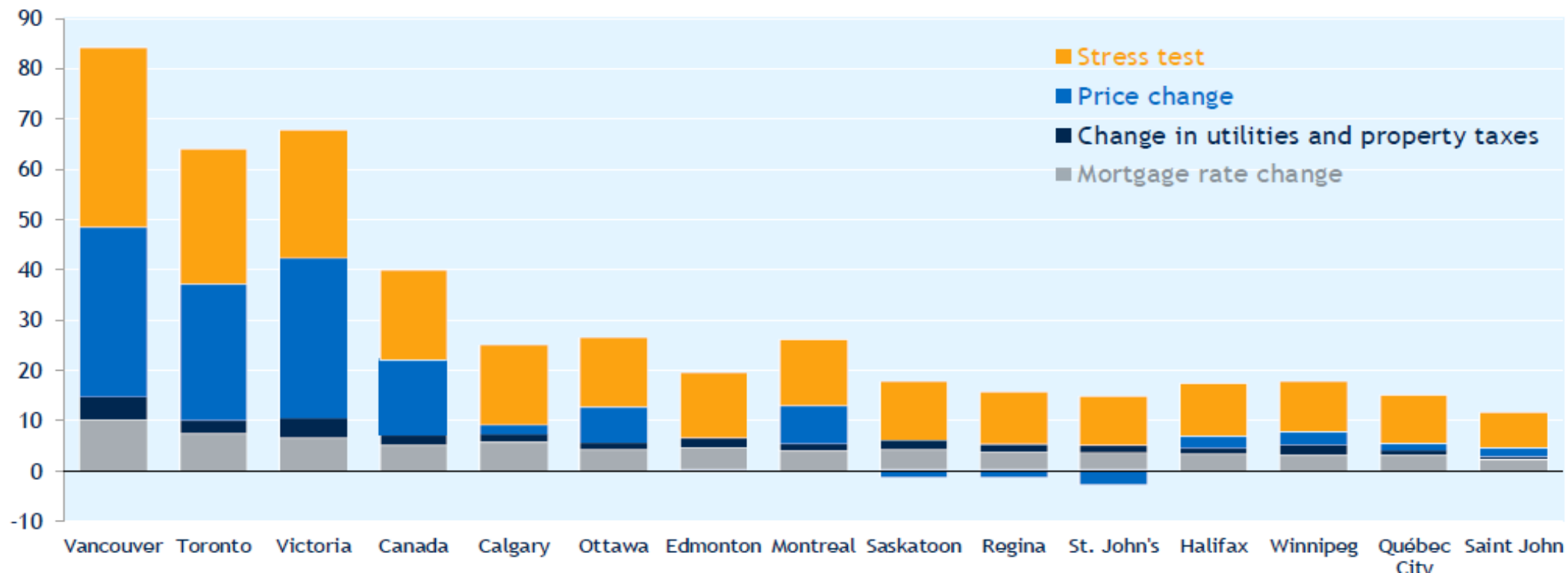
## The share of income a household would need to cover ownership costs (in %)

Canada	Vancouver	Calgary	Edmonton	Toronto	Ottawa	Montreal
53.9	86.9	43.4	28.2	75.3	38.6	45.2

Third quarter 2018

## Stress test and price increases have been the main factors driving up qualifying income

Increase in qualifying income to buy a typical home between Q3/2015 and Q3/2018, by contributing factor, thousand \$



# Summary

- Affordability is a key issue going forward for new home buyers.
- Number of rental continues to in Ontario
- Toronto housing is still strong and growing
- Ottawa market is tight and seeing price appreciation
- Carleton Place, Almonte, Beckwith and Arnprior continue to see growth.
- Smiths Falls and Perth beginning to grow at a faster rate