Ruth Victor
& Associates

191 Main Street South
Waterdown ON, L0R 2H0
rvassociates.ca
P 905-257-3590
E admin@rvassociates.ca

March 14, 2019

2087-2103 PROSPECT STREET: BURLINGTON HOUSING MARKET REVIEW

The following comprises an overview of the City of Burlington rental market as it relates to the proposed development, of the lands located at 2087-2103 Prospect Street, Burlington. This letter was requested by the Region of Halton Planning Staff and is to be considered an addendum to the Planning Justification Report prepared by Ruth Victor & Associates dated December 8th, 2017.

Proposed Development

The proposed redevelopment is for 40 stacked townhouse units located at the rear portion of the subject lands. There is currently a total of 73 units located on the subject lands: 65 units located in the 8-storey apartment building; and 8 fourplex units. The proposed development replaces the 8 existing fourplex units with 40 stacked townhouse units, resulting in an *additional* 32 units on the subject lands.

Burlington Housing Market & Background

As per the Region's *State of Housing (2017)* report, a range of housing types is required to meet the needs of residents through the various stages of their lives and at any level income. Based on our online search of March 14, 2019, this appears to be the most recent annual report available.

The *State of Housing* report identifies that the Region exceeded the 50% Housing Mix target in 2017 for the seventh consecutive year (71.2% achieved). This represents a mix of Apartment, Townhouse, Semi-detached, and Detached dwellings throughout the municipalities of Burlington, Halton Hills, Milton, and Oakville.

However, it is important to note that the City of Burlington's residential unit breakdown for townhouses is not representative of the other municipalities in the Study. In fact, while new townhouse units within Halton Hills, Milton, and Oakville comprised 36.1%, 26.8%, and 29.2% of the total new residential units respectively, only 2.2% of Burlington's new units were comprised of townhouse units (please see Figure 1 below). This is despite the fact that throughout the Region, new townhouse units represented 25.1% of the total new residential development in 2017.

Number of housing completions by type & municipality, 2017

	Halton Region		Burlington	Halton Hills	Milton	Oakville
Apartment	1,966	46.1%	86.7%	26.9%	27.4%	46.8%
Townhouse	1,072	25.1%	2.2%	36.1%	26.8%	29.2%
Semi	84	2.0%	0.0%	1.0%	2.1%	2.5%
Single	1,145	26.8%	11.1%	36.1%	43.8%	21.4%
Total units	**4,267**		**594**	**208**	**1,170**	**2,295**
Local share of completions			13.9%	4.9%	27.4%	53.8%
50% Target achievement	**71.2%**		**88.9%**	**63.0%**	**54.2%**	**76.0%**

Source: CMHC Starts and Completions Survey 2017

Figure 1 — Housing Completion breakdown for the Region of Halton.

In addition, the *State of Housing* report identifies that there was a total of 2,499 new residential units within the City of Burlington in 2017 (this comprised 14.9% of all new residential units within the Region). It also states that of these new units, 88.9% were Townhouses/Apartment units, and this exceeded the Target of 50%. However, as aforementioned, within the Townhouse/Apartment category, only 2.2% of all new residential units within Burlington consisted of townhouse units. This translates into a total of 13 new townhouse units throughout 2017. By contrast, the Town of Halton Hills saw 75 new townhouse units, Milton saw 313 new townhouse units, and Oakville saw 671 new townhouse units. Therefore, despite the City of Burlington exceeding the 50% Target Mix for Apartment/Townhouse units, the number of townhouse units specifically is well below the number of townhouse units throughout the rest of the Region.

In addition, of the 88.9% of new Townhouse/Apartment units within Burlington, 97.5% was comprised of new *apartment* units. So, while the City of Burlington exceeded its' 50% Target Mix in respect to Apartment units, it actually underperformed in terms of townhouse units in comparison to the remainder of the Region.

Rental Market & Rates

The *State of Housing* (2017) report states that rental housing is an important form of affordable housing for residents of the Region of Halton. In addition, the report identifies that the City of Burlington has experienced the highest average rent increases within the Region of Halton (6.4%), with the Town of Oakville following at second-highest with only 3.6%. Subsequently, the City of Burlington's rental increases are higher than those of Oakville, Halton Hills, and Milton.

The *State of Housing (2017)* report identifies a range of monthly rental costs for both Assisted and Affordable (non-assisted) residential units. The proposed development consists of 1- and 2-bedroom townhouse units, so this analysis will take into consideration both the Small Household (1-2 people) and the Average Household (2.8 people). The State of Housing report indicates the following monthly rent costs:

Max. Monthly Rent	Small Household (1-2)	Large Household (3+)	Average (2.8 people)
Assisted	$1,201.00	$1,326.00	$1,272.00
Affordable (Non-assisted)	$1,531.00	$2,297.00	$1,932.00

At the time of writing, the following rental rates are in place for the units on 2087-2103 Prospect Street:

UNIT TYPE	APPROX. MONTHLY RENT
1-bedroom apartment unit	$1,300
2-bedroom apartment unit	$1,650
Fourplex unit	$1,365

The current rental rates of the existing units are below the affordable rental rate for each unit and the respective number of expected tenants. The rental rate of the proposed townhouse units will reflect the average market rental within Burlington for the respective unit type.

In addition, of the 65 units within the apartment building and 8 fourplex units, the average vacancy rate has historically been between 1-2%. The average time for a new rental tenant occupying a vacated unit is 1 month.

Tenant Notice & Relocation

As per Section 39(1) of the Tenant Protection Act, 1997, S.O. 1997, c. 24, a tenancy may be terminated in accordance with the Act. Section 53(1) states that a landlord may give notice of termination of a tenancy if the landlord requires possession of the rental unit in order to:

- Demolish it;
- Convert it to use for a purpose other than residential premises; or,
- Do repairs or renovations to it that are so extensive that they require a building permit and vacant possession of the rental unit.

Section 53(2) states that the date of termination specified in the notice shall be at least 120 days after the notice is given, and shall be the day a period of the tenancy ends or, where the tenancy is for a fixed term, the end of the term.

In addition, Section 55 states that a landlord shall compensate a tenant in an amount equal to three months' rent or offer the tenant another rental unit acceptable to the tenant if:

- The tenant receives notice of termination of the tenancy for the purposes of demolition of conversion to non-residential use;
- The residential complex in which the rental unit is located contains at least five residential units; **or,**
- In the case of demolition, it was not ordered to be carried out under the authority of any other Act. 1997, c. 24, s. 55.

It is noted that the above Sections of the Tenant Protection Act, 1997, S.O. 1997, c. 24 is acknowledged and will be followed when it comes to the demolition of the existing 8 fourplex residential units. Where available, current tenants will be relocated to a similarly-sized and priced unit owned and operated by the same Owner as those of 2087-2103 Prospect Street. Tenants have been notified of the application and the intention of the current Owners, and will be notified 120 days (or more) before the end date of tenancy.

Yours truly,

David Nelson, Senior Planner
905-580-9431