

**DATE:** July 16, 2002

**TO:** Chairman and Members of the Planning and Development Committee

**FROM:** Thomas S. Mokrzycki, Commissioner of Planning and Building

**SUBJECT:** **2002 Housing Matters**  
**MEETING DATE: August 6, 2002**

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**ORIGIN:** Planning and Building Department

**BACKGROUND:** Attached under separate cover is the *2002 Housing Matters* newsletter. This newsletter reports on house prices, resale activity and rental vacancy rates and prices in Mississauga.

This information is presented in newsletter format to facilitate the dissemination of the data. The newsletter is available from the Planning and Building Department and will be posted on the City website.

**COMMENTS:** Some highlights from the *2002 Housing Matters* newsletter are as follows:

- Resale activity in Mississauga in 2001 was reported at approximately 10,000 sales, which was an increase of approximately 16% over the previous year;
- The average price of a resale home in Mississauga increased 11.5% from 2000 to reach \$250,078;

- Despite price increases and concerns regarding an economic turndown, the housing market remained strong in 2001. This was largely because mortgage rates were at historic lows;
- Within Mississauga, the most significant price increases were in the Northwest quadrant of the City, with the price of senior executive detached two-storey houses and standard condominium apartments experiencing the greatest price gains. Prices for these dwelling types rose 6.7% and 6.6%, respectively. A standard two-storey detached home in this part of the City rose 4.7% to \$228,000. In the rest of Mississauga, a standard two-storey detached home rose 4.1% to \$252,000;
- Some good news occurred in the rental market with Canada Housing and Mortgage (CMHC) reporting that the vacancy rate for private rental apartments more than doubled from the previous year to reach 1.1 in October of 2001. While the increase in the vacancy rate provides some relief in the market, vacancy rates remain low by historic standards;
- Rental rates increased 2.2% to an average of \$958 for all unit types. This was a more modest increase than the previous year when rates went up 12.2%. Average monthly rents for two and three - bedroom apartments now exceeds \$1,000;
- The secondary rental market is comprised of non-conventional rental units and includes rental units in detached, semi-detached and townhouse units, duplexes, rental condominiums, accessory apartments and apartments above stores. This segment of the rental market is estimated to provide accommodation to over half of households in Mississauga that rent. While an important source of rental housing, the secondary rental market is highly elastic and is not considered part of the permanent rental housing supply. Tenants have little security of tenure and some units, such as basement apartments, may be illegal and not meet health and safety standards.

Measuring and monitoring secondary rental units is difficult, however, a recent study conducted by the Ministry of Municipal Affairs and Housing and CMHC found that in some market areas secondary rental units provided over half the rental units available. The study also found that like conventional rental units, secondary rental units have low vacancy rates and increasing rental rates.

**CONCLUSION:**

The 2002 *Housing Matters* newsletter reports on house prices, resale activity and rental vacancy rates and prices in Mississauga. Copies of the newsletter are available from the Planning and Building Department and will be posted on the City's website.

**RECOMMENDATION:**

That the report titled 2002 *Housing Matters* dated July 16, 2002, from the Commissioner of Planning and Building be received for information.

Original Signed By:  
Thomas S. Mokrzycki  
Commissioner of Planning and Building