

DATE: July 15, 2003

TO: Chairman and Members of the Planning and Development Committee

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

SUBJECT: **2003 Housing Matters**
MEETING DATE: August 5, 2003

ORIGIN: Planning and Building Department

BACKGROUND: Attached under separate cover is the *2003 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's website.

COMMENTS: Some highlights from the *2003 Housing Matters* newsletter are as follows:

- Resale activity in Mississauga in 2002 was reported at approximately 11,000 sales, which was an increase of approximately 8.5% over the previous year;
- The average price of a resale home in Mississauga increased 2.5% from 2001 to reach \$256,430;

- Despite slight price increases and concerns regarding an economic turndown, the housing market remained strong in 2002. This was largely because mortgage rates remained at historic lows;
- Within Mississauga, the most significant price increases were in the northwest quadrant of the City, with the price of standard condominium apartments and standard condominium townhouses experiencing the greatest price gains. Prices for these dwelling types rose 11.6% and 7.3%, respectively;
- Some good news occurred in the rental market with Canada Housing and Mortgage (CMHC) reporting that the vacancy rate for private rental apartments in Mississauga more than tripled from the previous year to reach 3.4 in October of 2002. While the increase in the vacancy rate provides some relief in the market, vacancy rates remain low by historic standards;
- Rental rates increased 3.7% to an average of \$993.00 for all unit types. Average monthly rents for two and three - bedroom apartments now exceeds \$1,000.00;
- Continued low interest rates, increased disposable incomes, high job growth, continued consumer confidence and high levels of immigration continued to boost the home ownership market and make housing more affordable. First time home buyers led the housing market and took advantage of the 5% minimum down payment requirement. Many people could afford more house for their money based on low interest rates. With the influx of first time home buyers into the housing market, rental vacancies have more than tripled over the previous year;
- However, lone-parent families, persons with disabilities, Aboriginal peoples, recent immigrants and seniors continue to have affordability problems;

- Construction of new conventional rental units has not kept pace with demand and has been met in part, by secondary rental units such as basement apartments, rented condominiums, single homes rented out, and duplexes and triplexes.

CONCLUSION:

The *2003 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 "*2003 Housing Matters*" dated July 15, 2003, from the Commissioner of Planning and Building be received for information.

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