

APPENDIX A:
INTENSIFICATION
MARKET DEMAND
STUDY



**Residential Intensification
Market Demand Study**

**Town of Halton Hills
Regional Municipality of Halton**

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1.0 Introduction

N. Barry Lyon Consultants Ltd. (NBLC) was retained by the Town of Halton Hills to prepare an assessment of the future demand for medium and high density residential development units within the Town's two principal communities; Georgetown and Acton.

This study forms part of the Town's Intensification Opportunities Study, which is to serve as a component of the Halton Hills strategy for growth management. This strategy is linked to the Region-wide Sustainable Halton Plan, which is itself a response to the Province's *Places to Grow* initiative.

The Town of Halton Hills is interested in supplementing their own supply side research with an understanding of the future demand for medium and higher density housing within the urban boundaries, with a focus on the built-up areas of Georgetown and Acton.

This report reviews the current housing market in Halton Hills, including the active and resale housing market, and presents our estimates of future high and medium density residential demand for the communities of Acton and Georgetown. The report also provides a high level review of the Town's identified intensification areas within Acton and Georgetown.

2.0 Overview

The municipality of Halton Hills is characterized by:

- Its location in the rapidly growing west Greater Toronto Area (GTA), north of the towns of Milton and Oakville and the City of Burlington, and west of the City of Brampton and the Town of Caledon.
- Its predominately rural character, with relatively small urban areas compared to other municipalities in the GTA. The Town is comprised of two principal communities - Acton and Georgetown, as well as several smaller hamlets and rural settlement areas. The town of Georgetown is by far the largest community in Halton Hills; with direct GO Train access to the City of Toronto.
- The suburban/"bedroom" nature of its urban areas. The majority of the working population commutes to jobs beyond the municipal boundaries, mostly in Oakville, Mississauga, Brampton and Toronto.
- The presence of Highway 401 running along the Town's southern boundary, as well as its proximity to Highway 407 and Pearson International Airport.
- Its significant environmental features, including the Credit River Valley and the Niagara Escarpment

2.1.1 Demographics

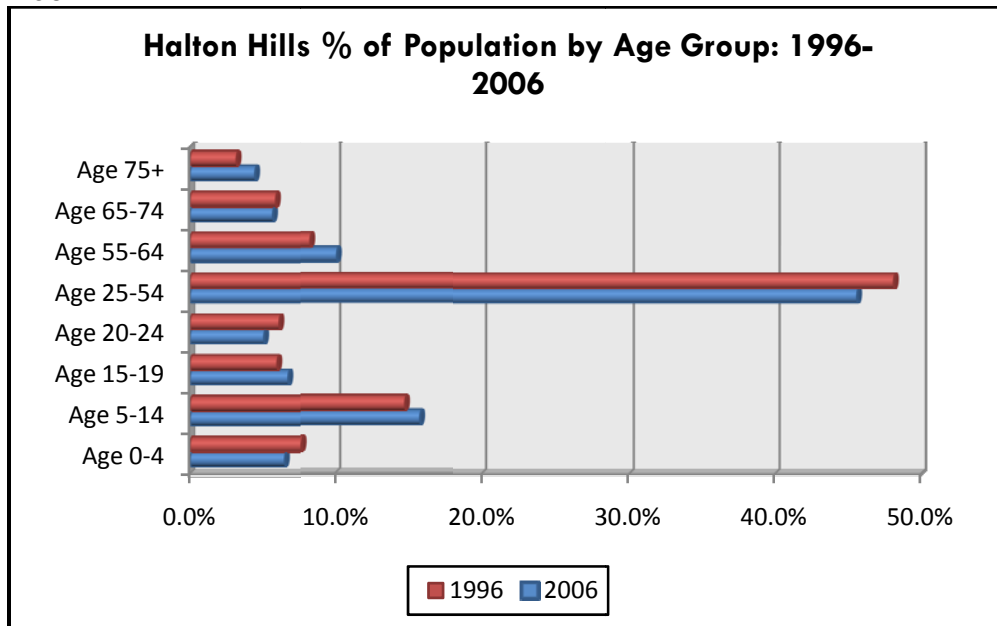
The Town of Halton Hills had a 2006 population of 55,300 people, an almost 15% increase in population from its 2001 population of 48,200, although less than the 17% growth rate experienced by the Region of Halton over the same period. The 2008 population of Halton Hills is estimated to be approximately 58,000.

The population of Halton Hills is split between three areas: Georgetown; Acton and the hamlets and rural area of the Town. The community of Georgetown had a 2006 population of 35,000 while the community of Acton's population was 9,400. Combined, the towns of Georgetown and Acton comprise over 80% of the Halton Hills population.

A large segment of the population is between 25 and 54, an important grouping to consider for housing demand. Within this age group, household formation and wealth development is typically strong, driving home sales in a number of market areas.

Like most communities in Southern Ontario, the population of Halton Hills is also aging. Between 1996 and 2006 the proportion of the population aged 55 and over increased from 17.4% to 20.3%. In fact, while the total population increased by approximately 30% between 1996 and 2006, the population aged 75+ increased by over 82%. The chart on the following page illustrates the population-age profile of the Town of Halton Hills.

FIGURE 1.



Source: Statistics Canada

The analysis suggests that demand will remain strong in the core home buying group (age 25-54) for some time, with increasing demand from groups that will be entering into the “empty nester” and retirement stages of life, as well as first time buyer demand.

3.0 Halton Hills Housing Market

3.1 Existing Housing Stock

As of 2006 there were 19,332 private dwellings in the Town of Halton Hills. This represents an increase of almost 3,000 units or 18.2% from 2001.

The Town is largely dominated by low density, ground-related housing units. Almost 80% of existing housing units in Halton Hills are either single or semi-detached dwellings. This is typical of most suburban areas in the GTA, with low density housing still the preferred housing type outside the City of Toronto. In fact, one of the principal reasons for the population growth that Halton Hills and other suburban communities have experienced in recent years has been their ability to provide low density, relatively affordable, housing. The remainder of the Halton Hills existing housing stock is almost evenly split between row houses and older apartment units.

Table 1 illustrates the residential unit mix for the Town between 1961 and 2006. While the Town is still very much dominated by single/semi-detached units, medium density units now comprise a larger portion of the unit mix, moving from 1.2% in 1961 to 10.3% in 2006. Single/semi-detached units are slowly declining as a percentage of the housing stock due to the increasing popularity of row/townhomes.

	Single/Semi		Row		Apartment		Total	
	Units	Percent	Units	Percent	Units	Percent	Units	Percent
1961	4,174	86.2%	56	1.2%	614	12.7%	4,844	100.0%
1971	6,910	85.1%	153	1.9%	1,054	13.0%	8,118	100.0%
1981	8,828	82.2%	455	4.2%	1,458	13.6%	10,742	100.0%
1991	9,959	79.2%	639	5.1%	1,969	15.7%	12,568	100.0%
2001	12,910	79.0%	1,450	8.9%	1,990	12.2%	16,350	100.0%
2006	15,475	80.0%	1,827	9.5%	2,030	10.5%	19,332	100.0%

Source: Statistics Canada & Town of Halton Hills Development Charge Background Study (Hemson, 2007)

Note: The "total" unit counts between 1961-1991 were adjusted upwards by 2.3% to account for the difference between "total occupied dwellings" and "total private dwellings" in Census reporting.

The same proportional unit split was used for these years as reported in the Hemson DC report.

Interestingly, apartment units as a percentage of all units decreased over the same period, increasing slightly to 1991 and then decreasing as a percentage between 1991 and 2006. This is likely due to limited demand for apartment units in either rental or condominium format.

3.2 Recent Development Activity

In the most recent 25 year period, between 1981 and 2006, almost 8,410 units were added in Halton Hills. Of this 1,480 or 17.6% were row/townhouse and 750 or 8.9% were apartments, while the remaining 6,180 or 73.5% were singles/semis.

Since 1996, single and semi-detached units have represented the largest proportion of housing completions in Halton Hills, comprising almost 82% of all units completed. Row/townhomes have represented over 15% and apartments just 3% of all units. The following table outlines the number of residential unit completions, by type, from 1996 to 2008.

Table 2.								
Residential Completions - Halton Hills - 1996 - Sept. 2008								
	Single/semi		Row/Townhouse		Apartment		Total	
	Units	Percent of Total	Units	Percent of Total	Units	Percent of Total	Units	Percent of Total
1996	286	95.0%	15	5.0%	0	0.0%	301	100%
1997	301	78.4%	83	21.6%	0	0.0%	384	100%
1998	264	91.3%	25	8.7%	0	0.0%	289	100%
1999	411	100.0%	0	0.0%	0	0.0%	411	100%
2000	364	91.0%	36	9.0%	0	0.0%	400	100%
2001	689	68.6%	275	27.4%	40	4.0%	1,004	100%
2002	346	96.1%	14	3.9%	0	0.0%	360	100%
2003	383	100.0%	0	0.0%	0	0.0%	383	100%
2004	459	78.1%	90	15.3%	39*	6.6%	588	100%
2005	704	96.7%	24	3.3%	0	0.0%	728	100%
2006	432	86.6%	67	13.4%	0	0.0%	499	100%
2007	190	68.3%	88	31.7%	0	0.0%	278	100%
2008*	109	36.8%	82	27.7%	105*	35.5%	296	100%
Total	4,938	83.4%	799	13.5%	184	3.1%	5,921	100%

Source: CMHC and the Town of Halton Hills

*Data for 2008 available up to August 2008

*The 39 apartment units completed in 2004 are comprised of Phase 2 of Mountainview Retirement Residences. CMHC typically does not consider such units as apartments.

*The 105 apartment units completed in 2008 are comprised of the Gallery at Bennett Village. As of November 2008, the development was not fully completed. For the purpose of this study, in order to provide an accurate forecast of future demand, these units are assumed to be complete

In more recent years, there have been fewer low density units and more medium density units completed, likely due to a preference for more affordable housing types and a decrease in available supply in low density units.

The low number of apartment completions over the 12 year time period stands out, with only three apartment buildings, comprising 184 units, built since 2001. The limited amount of high density development in Halton Hills is not unusual, in fact, in the Region of Halton between 2001 and 2007, less than 10% of all units constructed were high density.

3.3 New Home Sales

Similar to completed units, the majority of new homes sold recently in Halton Hills have been low density, single and semi-detached units. Of the estimated 2,990 units sold in Halton Hills between January 1, 2000 and November 1, 2008, approximately 2,220 or 74.1% of units were single and semi-detached. Almost 19% or over 560 of new homes sales were row/townhomes, while it is estimated that only 210 or 7.0% were apartments.

Table 3 provides the sales data of all medium and high density developments in the Town of Halton Hills between 2001 and November 2008.

Table 3. Medium and High Density Sales: 2001 to Nov. 2008, Halton Hills											
Project	Location	2000	2001	2002	2003	2004	2005	2006	2007	2008	Total
Row/Towns											
Banks of the Credit River	Georgetown	23	15	-	-	-	-	-	-	-	38
Trafalgar County	Georgetown	-	4	10	7	17	2	-	-	-	40
Trafalgar County	Georgetown	-	-	-	24	12	0	4	-	-	40
Parkside Meadows	Acton	-	-	14	20	4	3	-	-	-	41
Four Corners	Georgetown	-	-	-	37	45	31	1	-	-	114
Victoria Station	Georgetown	-	-	-	41	43	-	-	-	-	84
River Rock Ridge	Georgetown	-	-	-	-	-	12	22	40	24	98
River Rock Ridge (final phase)	Georgetown	-	-	-	-	-	-	-	-	0	0
Village Terraces of Halton Hills	Georgetown	-	-	-	-	13	7	7	-	-	27
Cachet Hills	Georgetown	-	-	-	-	-	22	12	2	4	40
Barber Glen	Georgetown	-	-	-	-	-	-	39	3	-	42
Sub-Total		23	19	24	129	134	77	85	45	28	564
Apartments											
Residences of Victoria Gardens	Georgetown	15	25	-	-	-	-	-	-	-	40
Mountainview Retirement	Georgetown	-	-	-	19	20	-	-	-	-	39
Gallery at Bennet Village	Georgetown	-	-	-	-	-	30	39	34	2	105
Le Monaco	Georgetown	-	-	-	-	-	-	-	-	26	26
Sub-Total		15	25	0	19	20	30	39	34	28	210
TOTAL		38	44	24	148	154	107	124	79	56	774

Source: RealNet Canada, Town of Halton Hills and NBLC

Note: Data for 2008 is only for the first ten months.

Note: For the purpose of this analysis, it was assumed that the Gallery at Bennet Village would be sold out by the end of 2008.

Note: The split of yearly sales for Mountainview Retirement and Gallery at Bennett Village have been estimated

Sales of row/townhomes were strongest between 2003 and 2006. Recent sales of townhomes have declined in the past two years as servicing becomes more difficult to secure.

There have only been four apartment projects during the survey period. The Residences of Victoria Gardens sold very slowly and almost exclusively to empty nesters/seniors, while the Gallery at Bennett Village is a life-lease project, orientated toward seniors. Mountainview Retirement Residences is the second phase of a relatively successful retirement development. The Le Monaco development received strong early buyer interest in the beginning of 2008, but has since stopped actively selling due to the current economic climate.

Finally, the recent sales activity of medium and high density developments has been concentrated in the community of Georgetown. This is due to its broader range of services and amenities, greater employment opportunities, as well as better access to major highways and the GO Train.

3.4 Active Developments

There are currently six actively marketing residential developments in Halton Hills, all located in the Georgetown area (Table 4).

Table 4. Actively Marketing Residential Projects - Halton Hills - November 2008							
						Price Range	
Development Project	Location	Product Type	Sales	Total Inv.	Open Date	Min	Max
River Rock Ridge	Georgetown	Townhouse	105	136	10-Sep-05	\$289,990	\$350,990
River Rock Ridge	Georgetown	Detached	266	279	24-Jul-04	\$349,990	\$424,990
Silver Creek Hollow	Georgetown	Detached	54	88	17-Dec-04	\$565,990	\$745,990
Silver Creek Estates	Georgetown	Detached	26	31	09-Nov-07	\$559,990	\$644,990
Meadows in the Glen	Glen Williams	Detached	26	91	17-Nov-07	\$865,000	\$1,120,000
Cachet Hills	Georgetown	Detached &	101	109			
The Gallery at Bennet Village	Georgetown	Apartment (Seniors)	92	105	15-Oct-05	\$219,900	\$342,900

Source: NBLC

Similar to recent new home sales, the active developments in Halton Hills are dominated by low density units, with the majority selling either single detached or townhouse style units.

The only apartment actively selling is *The Gallery at Bennett Village*. This development is located in the west of Georgetown, close to the municipal office. It is affiliated and developed by the Bennett Health Care Centre and has been sold on a “life lease” basis. The response to the development has been relatively strong, taking roughly 20 months to reach their pre-sales target (roughly 70% of all units). The development is almost 90% sold.

The success of this project is a modest yet positive signal for Halton Hills and its ability to attract high density development, as these projects are typically difficult to market given the unfamiliar structure of life leases.

The Le Monaco condominium development, located in the south-east of Georgetown, sold 26 units or roughly 50% of its units in its first four months of sales. Since then however it has not sold any, and is currently no longer actively selling. It is expected that it will start actively marketing again in the summer of 2009.

3.5 Resale Market

The housing market in Halton Hills appears to have slipped in 2008 from a balanced market to more of a buyer's market. This is consistent with most of the Greater Toronto Area, where economic challenges are beginning to have a negative impact on the housing market.

Table 5. Sales to Listing Ratio - Halton Hills - 2005 to 2008*				
	Single/Semi Detached	Row/ Townhouse	Apartment	Total
2005	34.2%	58.8%	67.6%	37.5%
2006	35.1%	99.3%	29.2%	39.0%
2007	42.2%	80.9%	31.8%	45.3%
2008*	29.0%	50.2%	22.2%	31.0%

*Data for 2008 available up to September 2008
Source: RealNet & NBLC

Like the rest of the GTA, Halton Hills has enjoyed a strong housing market with sales to listing ratios well balanced. In 2008, the softening economy has negatively affected the sales of all unit types. The low and high density housing markets are now into "buyers" market territory, while the medium density market is much stronger, moving from a "sellers" market to a more "balanced" market¹.

Despite weaker sales volumes, resale prices of all units in the Town have increased. Apartments experienced the most significant price increase. Between 2005 and September 2008 apartments recorded the greatest increase in price, at 25%, with row/townhouses increasing by 23% and single/semis by 19%.

Table 6. Resale Transactions by Type Halton Hills - 2005 to 2008*									
	Single/Semi Detached			Row/Townhouse			Apartment		
	Active	Sales	Avg. Price	Active	Sales	Avg. Price	Active	Sales	Avg. Price
2005	2,280	780	\$ 338,860	301	177	\$ 203,881	37	25	\$ 176,760
2006	2,131	748	\$ 359,419	147	146	\$ 219,601	48	14	\$ 226,036
2007	1,998	844	\$ 386,632	194	157	\$ 231,213	66	21	\$ 203,971
2008*	1,951	565	\$ 402,452	241	121	\$ 251,026	63	14	\$ 221,164

*Data for 2008 available up to September 2008

In general, the resale market data indicates that a limited supply of low density housing is underpinning demand and driving pricing upwards, to the benefit of row/townhouse unit sales. Apartment prices increased the most over all housing types, likely due to the very limited supply. This also indicates a modest, but growing, demand for apartment style accommodation.

¹ Based on CMHC definitions, sales to listing ratios of between 35% and 50% is considered a balanced market, while those under 35% are considered a buyer's market and those over 50% a seller's market.

3.6 Rental Market

The housing market in Halton Hills is very much owner dominated, as is typical with communities primarily comprised of single detached housing. In fact, 86% of all dwellings are owned as opposed to rented. This is due to the relative affordability of home ownership and the inability of market rents to support new rental apartment construction.

The amount of new rental units built in Ontario has been limited since the mid 70's, due mostly to capital cost allowance changes introduced in 1972 and the imposition of rent controls. In addition, developers of high density residential projects have simply found it more profitable to build apartments in condominium tenure.

However, vacancy rates for rental accommodation declined from 1.8 to 1.6 over the past year in Halton Hills, suggesting that demand for rental product may increase, especially if the affordability of home ownership continues to decline.

An increase in rental demand may serve to attract investors to the condominium apartment market, resulting in increased demand for condominium apartment units in Halton Hills.

3.7 Future – Proposed: Residential Applications in Process

There are a number of units currently in the development “pipeline” in Halton Hills. As Table 7 shows, as of December 2006 the vast majority of future housing applications are for single/semi-detached homes. Based on these proposed developments, it appears that developers believe the Halton Hills market still demands low density units.

Furthermore, most of the current residential applications are located in the community of Georgetown. This indicates that the market preference in Halton Hills still heavily favours the Georgetown area, likely due to its larger size, greater selection of amenities and services, GO Train service, and its proximity to the rest of the GTA.

It should be noted however, that over 80% of all future units are currently pending. Pending is the earliest stage in the development process, with many applications requiring Official Plan and Zoning By-law amendments, and therefore involves the greatest amount of uncertainty. This may or may not result in the number of units proposed increasing or decreasing.

Table 7. Halton Hills Existing Housing Supply - Year-end 2006				
	Single/Semi	Row	Apartment	Total
Registered				
Georgetown	193	39	-	232
Acton	3	5	-	8
Rural/Hamlets	21	-	-	21
Total	217	44	-	261
Draft Approved				
Georgetown	106	78	-	184
Acton	9	-	7	16
Rural/Hamlets	134	-	-	134
Total	249	78	7	334
Pending				
Georgetown	1,331	316	468*	2,115
Acton	33	19	-	52
Rural/Hamlets	163	-	-	163
Total	1,527	335	468	2,330
TOTAL	1,993	457	475	2,925

Source: Halton Hills Planning Department

* The 468 apartment units include 231 apartment units on the Barber Paper Mill, which is currently limited to 65 units in existing buildings consistent with the Official Plan and a Party IV heritage designation. If these units were limited to 65, the total units would be 302.

4.0 Factors Influencing Growth

There are numerous factors that influence community growth and the demand for housing intensification. This section discusses the core factors with a view to gauging the likely future demand for medium and high density housing types.

4.1 Affordability

Affordability is the most important factor driving townhome and apartment growth in the GTA. In October 2008 the average price of a detached home in the GTA was \$517,400, compared to \$494,200 in Halton Hills, roughly mid-market for the western GTA. The GTA average for a row/townhome was \$324,900 while it was \$319,200 in Halton Hills, which is relatively affordable for the GTA, especially the west.

There are no new “for sale” condominium developments in Georgetown. A basic condominium development would likely cost about \$370 per square foot to develop (concrete construction, land, hard and soft costs with 10% profit). A two bedroom unit of about 900 square feet would therefore have an estimated value of about \$333,000, \$13,000 more than a much larger townhome. This illustrates one principle reason why intensification will be realized primarily in townhouse forms for the near term.

It is expected that as the GTA land supply becomes increasingly limited, all forms of housing will increase in price. As a result, less expensive housing forms, such as townhomes and eventually apartments, will become increasingly attractive and in higher demand.

Table 8. Average Price of New Single-Detached and Town Homes Year to Date October 2008		
	Single-Detached Avg. Prices	Row/Townhome Avg.Price
Halton Hills	\$494,151	\$319,190
GTA West		
Burlington	\$463,294	\$753,945
Milton	\$442,585	\$312,043
Oakville	\$705,579	\$437,153
Brampton	\$434,764	\$479,762
Caledon	\$896,744	\$312,171
Mississauga	\$559,723	\$334,061
Greater Toronto Area		
GTA	\$517,378	\$324,890

Source: CMHC

4.2 Migration

Migration from other areas of the GTA and southern Ontario, as well as some interprovincial and international migration, will continue to be the dominate driver of growth in Halton Hills. About 39% of the population in Halton Hills lived outside of the municipality prior to 2001. This trend is expected to continue in Halton Hills given its relative affordability compared to other GTA communities.

4.3 Lifestyle

Halton Hills is an attractive place to live because of its small communities, outdoor amenities, rural/suburban nature and the availability of affordable housing. This is rare in the GTA. However, compared to the more urbanized municipalities in the GTA and southern Ontario, Halton Hills is not as an attractive location for higher density living given the limited amount of urban lifestyle amenities.

A key driver of high density demand is the availability of a broad selection of retail and commercial services within walking distance of such developments, as is: access to frequent public transit; active and animated streets; cultural attractions; and, local employment opportunities. These are characteristics of a highly mature urban environment that are currently not as prevalent in Halton Hills relative to other urban areas in the GTA.

4.4 Rental Market

As previously mentioned, recent rental vacancy rates in Halton Hills are historically low, declining even further since last year. Despite this, current rental rates in Halton Hills are still well below the revenues required to support new development, a condition common across the GTA. However, if the rental vacancy rate remains tight and the affordability of home ownership continues to decrease, especially for condominium apartment units, a small investment market may emerge in Halton Hills. Investors have been a key part of the condominium apartment market in other parts of the GTA.

4.5 Employment

Employment and housing growth are directly linked. Simply put, the more confident individuals feel about their jobs, the more likely they are to form households and buy homes. They are also more likely to buy larger homes or second homes. The Greater Toronto Area is the 4th largest industrial region in North America. Head office employment grew in the City of Toronto by over 10,000 jobs between 2001 and 2005². Despite current economic conditions, the long-term economic outlook for the GTA is positive, with overall employment increasing, due not only to the current concentration of manufacturing but also as a result of the expansion of other industries, including health-care, technology, research and development, and the public sector.

² The Daily, Statistics Canada, July 13, 2006

4.6 Transit and Access

Access to major transit and highway systems is a key consideration for many groups in purchasing a home. As highway systems become increasingly congested, GO Transit will likely have an increasing role in attracting higher density growth to the Georgetown area, especially near the GO station, and potentially Acton in the longer-term.

4.7 Demographics

The growth of various age groups will influence housing demand in Halton Hills. Move up buyers, or those aged between 35 and 54, will likely have the largest growth in terms of number of units and will continue to dominate the Halton Hills housing market. This will be a result of both the existing age composition of the Town, which is younger than both the provincial and GTA average, and the continued level of in-migration to the Town. This age group tends to be composed of households with children and live in larger homes, typically single/semi-detached and townhomes.

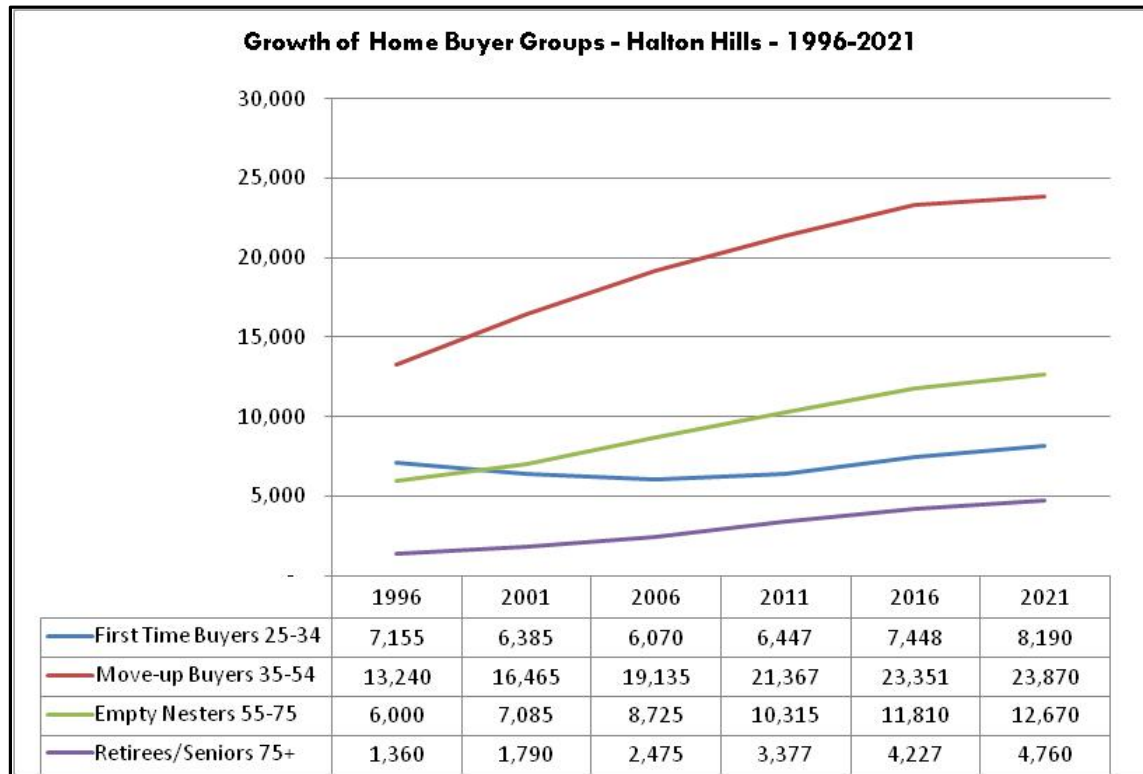
Older buyer groups will become a more significant factor in growth but still relatively modest in terms of total numbers. The Empty nester population in Halton Hills is estimated to grow by 45% between 2006 and 2021, and retirees/seniors to grow by over 90% in the same time period for a total population of about 17,000 people.

Housing choices for older buyer groups are becoming broader. Improved health and increased affluence are expanding the choice of these buyers, in terms of home type and location. In the future, this trend is likely to continue but with potentially increased demand for condominium apartment style accommodation as the community matures.

The first time buyer group is also expected to increase, forming a modest component of the marketplace. This group will be composed primarily of young couples with or without children. They will drive the entry level market for townhomes, with a small amount of this age group attracted to condominium apartment development, particularly in downtown Georgetown in the near to mid-term and the GO station area in the mid to late-term, but only if they are significantly more affordable than townhomes.

The following chart provides a rough forecast of population by buyer groups to 2021, based on the Region's Best Planning Estimates, for the Town of Halton Hills. Note that the portion of the population aged between 0-25 is not included in this estimate.

FIGURE 2.



Source: Best Planning Estimates – Halton Region

5.0 Demand Forecast

5.1 Approach to Forecast

A forecast of medium and high density units to 2031 was produced in order to provide an estimate of the expected demand for residential intensification in the Town of Halton Hills. The forecast is a current trends forecast. It projects future unit demand based on historical unit demand, by assuming a stable rate of increase year-over-year for each unit type.

This unit forecast was based on historical sales activity, by type, in the Town, as well as historical building activity, such as housing starts and completions. Sales data is used as the core input as it provides the most accurate sense of demand. While building activity is a useful measure of accuracy, it does not provide a clear sense of demand, given the following:

- There exists a disconnect between unit completions and unit absorptions. That is, the number of units completed in any given year are typically not all absorbed by the market in that same year, but rather over a number of years, including the years prior to and following the year of completion;
- Building statistics (starts or completions) for apartment units are usually grouped into one time period, i.e. 40 units were completed in 2001. This does not clearly express demand, as those units were purchased over a number of years not just one; and,
- Building data paints a picture of demand that can be irregular and difficult to forecast, whereas sales data is relatively regular and easier to project.

This type of forecast is deemed to be the most appropriate method as the core factors influencing growth, including migration, employment and age demographics, are factored into the projection.

The sales data for each housing type was fed into a standard regression analysis model to provide a long term projection for the town as a whole. The data was then distributed between Acton and Georgetown based on historical development activity and our opinion of the marketability of these areas.

5.2 Growth by Unit Type

The following table outlines the forecast for townhouse and apartment sales for the 2006 to 2031 period. As indicated earlier, the projection was developed using a standard regression model and assumes that the market factors shaping the community since 2001 will more or less remain stable. We assume that the market will soften in the coming years but will eventually re-strengthen with a new economic cycle.

Table 9. Forecast Medium and High Density Unit Sales - Halton Hills (2006-2031)						
Year	Townhouse		Apartment		Total	
	Total Units	5 Year Growth	Total Units	5 Year Growth	Total Units	5 Year Growth
2006	1,827		2,030		3,857	
2011	2,237	410	2,201	171	4,438	581
2016	2,737	500	2,424	223	5,161	723
2021	3,327	590	2,700	276	6,027	866
2026	4,007	680	3,028	328	7,035	1,008
2031	4,777	770	3,409	381	8,186	1,151
Total Growth (06-31)		2,950		1,379		4,329
Annual Growth (06-31)		118		55		173
Average annual growth (96-08)		61		14		75

Source: NBLC

It is estimated that of the 4,329 medium and high density units forecast to be built in Halton Hills between 2006 and 2031, roughly 68% will be townhomes with the remaining 32% apartments. This represents a significant increase from current levels of demand in Halton Hills, with average annual townhouse unit sales increasing from 61 (1996-2008) to 118, and the average annual apartment unit sales increasing from 14 to 55.

However, the actual number of medium and high density units expected to be absorbed is relatively low compared to most other municipalities in the GTA, as is the expected proportion of medium and high density units absorbed as a percentage of total unit demand (including singles and semi-detached units), both of which are the result of low density units continuing to attract the majority of the Halton Hill's housing market.

5.3 Growth by Community

The estimated growth of medium and high density housing units in Halton Hills between 2006 and 2031 is distributed as follows: Georgetown – 80.1% and Acton – 19.9%. It is forecast that Georgetown will receive roughly 79% of all row/townhouse growth and 82% of all apartment growth, with Acton receiving the remainder of the growth for these unit types.

It is further forecast that the demand for row/townhomes in Georgetown between 2006 and 2031 will be about 2,340 units or roughly 90 per year, while in Acton about 610 units are forecast or roughly 25 per year. For apartments, the demand in Georgetown will be for just over 1,130 units or 45 per year while for Acton the demand will be for almost 250 units or 10 per year.

Table 11 presents the projected total number of units and growth by area for the Town of Halton Hills between 2006 and 2031.

The forecast unit growth by area was based on three principal assumptions:

1. It is assumed that the proportion of growth received by the two areas between 2006 and 2031 is to remain relatively similar to the recent distribution of residential growth and building permits in Halton Hills by area. Georgetown is expected to continue to receive the majority of growth for a number of reasons, which include:
 - Its size and selection of services and amenities, including a major hospital and GO train service;
 - Its proximity to other municipalities in the GTA, the airport and 400 series highways;
 - Its relative affordability, especially for row/townhomes, compared to other municipalities in the western GTA;
 - The availability of land. Georgetown has a much larger existing and potential future supply of residential land, evidenced in that:
 - Almost 90% of existing residential applications are located in Georgetown;
 - Well over 60% of the Town's identified potential intensification supply, especially higher density forms, is located in Georgetown; and,
 - That a number of the possible future expansion areas currently being considered by the Region through their *Sustainable Halton* process involve the expansion of Georgetown's urban boundary. No expansions to the community of Acton are possible, due to its location within the provincially designated Greenbelt.
2. Georgetown will receive the majority of growth to 2031. However, as affordability declines in Georgetown we expect that Acton may capture a larger share of growth over the course of the forecast period. It should be noted that the majority of the increased growth of medium, as well as some high density, units in Acton is reliant on the clean-up and build-out of the South Acton (Maple Leaf) lands. These lands are located within the designated built-boundary of Acton.
3. The Rural/Hamlets are expected to grow minimally to 2031. Already approved and pending applications in the Hamlets of Glen Williams, Stewartown and Norval are expected to add over 200 units in the next few years. Beyond these developments, due to Town and Provincial policies, the Rural/Hamlet areas are expected to add only a small number of units each year, mainly through lot severance and lots of record. It is expected that all future units built in these areas will be exclusively single-detached.

5.4 Growth within the Urban Boundaries

Based on the Province of Ontario's *Places to Grow* legislation, only residential development that occurs within the defined built boundaries of Georgetown and Acton will count towards the Region of Halton's intensification target. For the most part, the built boundaries of the two communities are similar to their defined urban boundaries. As a result, it is expected that the majority of medium and high density growth in Halton Hills will be deemed as "intensification" under provincial legislation.

As Table 10 shows, it is expected that over 90% of row/townhouses and 87% of apartment growth, will occur within the built boundaries of Halton Hills.

Table 10.						
Total Units by Area - Halton Hills 2006-2031						
	Georgetown		Acton		Total	
	Row	Apt.	Row	Apt.	Row	Apt.
Total Growth 2006-31	2,336	1,133	614	247	2,950	1,379
Total Units outside Built Boundary	235	180	44	-	279	180
Total Units Within Built Boundary	2,101	953	570	247	2,671	1,199
% Within Built Boundary	89.9%	84.1%	92.8%	100.0%	90.5%	86.9%

Source: Town of Halton Hills and NBLC

This is estimated by:

- By subtracting all medium and high density units currently under application on lands outside of the designated built boundaries, but within the designated urban boundaries. Currently there are two applications in Georgetown and one in Acton that fall into this category;
- By accounting for a vacant apartment site located outside of the Georgetown Built Boundary that is estimated to be able to accommodate approximately 180 units. This is the only apartment site outside of the Built Boundary in Halton Hills expected to be developed for high density uses over the forecast period; and,
- By incorporating a small amount (75 units in Georgetown and 25 in Acton) of additional, reallocated demand, to account for any unrealized medium density development that may occur outside of the built boundaries. This may result from altered unit types in existing development proposals or land becoming available for development that is not currently available.

Table 11. Forecast Medium and High Density Unit Sales - Acton & Georgetown (2006-2031)												
Year	Georgetown				Acton				Total Units			
	Row/Townhomes		Apartments		Row/Townhomes		Apartments		Row/Townhomes		Apartments	
	Total Units	5 Year Growth	Total Units	5 Year Growth	Total Units	5 Year Growth	Total Units	5 Year Growth	Total Units	5 Year Growth	Total Units	5 Year Growth
2006	1,451		1,515		315		515		1,766		2,030	
2011	1,838	387	1,685	171	338	23	515	-	2,176	410	2,201	171
2016	2,283	445	1,882	196	393	55	542	27	2,676	500	2,424	223
2021	2,766	483	2,110	229	500	107	590	47	3,266	590	2,700	276
2026	3,263	497	2,367	257	683	183	661	72	3,946	680	3,028	328
2031	3,787	523	2,647	280	930	247	762	101	4,716	770	3,409	381
Total Growth (06-31)		2,336		1,133		614		247		2,950		1,379
Annual Growth (06-31)		93		45		25		10		118		55
% of Growth		79.2%		82.1%		20.8%		17.9%		100.0%		100.0%

Source: NBLC

Note: Number may not add due to rounding and because the Rural/Hamlets are not included. Based on census tract data it appears as though rural/hamlets had over 3% of the existing supply of row/townhomes and no apartments.

6.0 Intensification Supply

The Town of Halton Hills performed an analysis of potential intensification sites as part of its Intensification Opportunities Study. This analysis identified eight areas where future intensification is most likely to, or should, occur. The identified areas include:

- Downtown Georgetown;
- Guelph St. Corridor – Georgetown;
- GO Station Study Area – Georgetown;
- Civic Centre Area – Georgetown;
- Downtown Acton;
- Maple Leaf Lands – Acton Special Study Area;
- Acton Downtown East; and
- General Sites – Georgetown.

Within each of these areas, numerous suitable sites were identified as having future potential for low, medium or high density residential or mixed-use development, with some of the identified sites already under development application.

The following is a brief discussion on the suitability of each of these areas for medium and high density developments.

Downtown Georgetown

Downtown Georgetown offers a good range of retail services and commercial amenities, as well as community facilities. This, combined with the attractive aesthetic of the area, improved with the Town of Halton Hills investment in streetscaping, makes this perhaps the best opportunity for residential intensification. The large parking areas behind Main Street could be particularly attractive to developers given the access and limited need for land assemblies. Townhouse development is viewed as highly feasible if sufficient lot areas can be assembled affordably.

Guelph Street Corridor

The Guelph Street Corridor is characterized by typical strip retail with limited two storey development above. While parcel sizes vary, they are dominated by thin and long strips, typical of suburban retail streets. The fragmented nature of the parcel fabric combined with the heavy traffic volumes and poor aesthetics of the area make the Guelph Street Corridor a weak opportunity for near term intensification. In the longer term, as development opportunities become more limited, some of the large parcels may attract modest development interest, likely in townhome or possibly live-work formats.

GO Station Study Areas

GO stations on their own do not drive demand for residential intensification. Without a broader range of retail and community services, GO transit, given its limited service, only marginally increase residential market demand. However, as traffic congestion becomes increasingly severe, and transit service improves, we expect that market interest in this area will grow. It also appears that there are significant blocks of land suitable for intensification with limited requirements for land assemblies.

Civic Centre Area

While lacking the services of other areas, the civic centre area, next to the municipal offices would offer a sense of exclusivity with potential views across the North Halton Golf Club. Assisted care and other retirement oriented projects similar to the adjacent Bennett development would likely be successful in the mid to longer term.

Downtown Acton

With a highly fragmented lot pattern in the downtown Acton area and few amenities or services for typical buyer groups such as seniors, there is a limited near term potential for high density residential intensification in this area. However, as the area grows and becomes increasingly serviced with population related amenities and services, including a potential GO station, and as land values climb in other competitive areas; downtown Acton will become increasingly attractive for new investment.

Former Maple Leaf Lands

The Maple Leaf lands are a large parcel formerly occupied by industrial uses along the southern boundary of Acton. These lands offer the potential for a master planned community that might attract a good portion of townhome development. Small scale apartment development, set within a strong community design may also prove feasible, especially if priced affordably.

Acton Downtown East

The possibility of a GO Station in the eastern portion of Acton has been raised, although it will be sometime before a decision will be made on the need and location of this infrastructure. A location to the northwest of the community is also currently being considered. Given the uncertainty surrounding GO service in Acton we have not identified any potential for intensification in these areas. While some of Acton's better intensification sites exist in this area; their market success will be strongly dictated by the areas access to local amenities and services, and to a lesser degree, by the presence of a future GO station.

Aerial Maps on the following page present these potential intensification areas in context.

Figure 4. Potential Intensification Areas - Georgetown

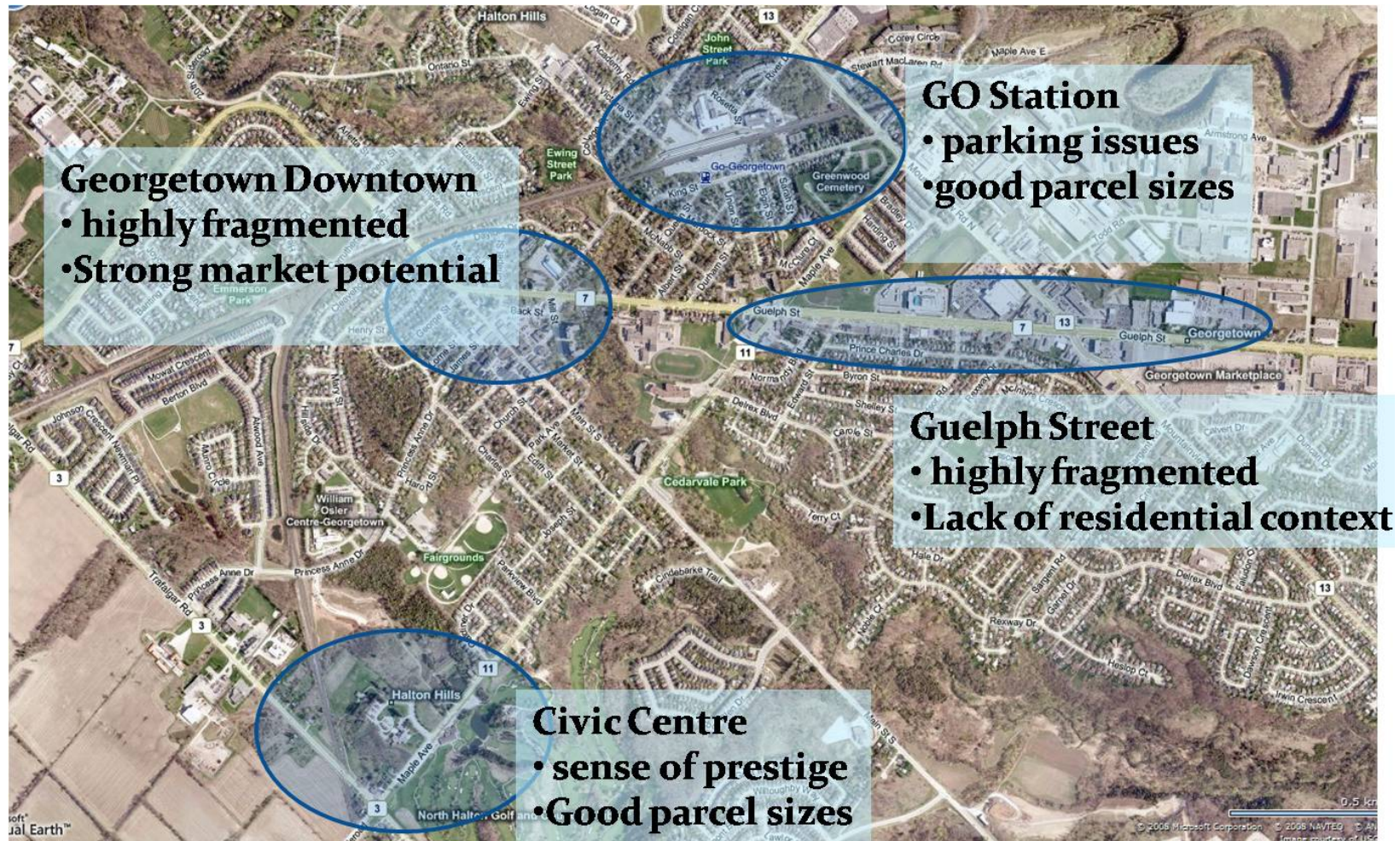
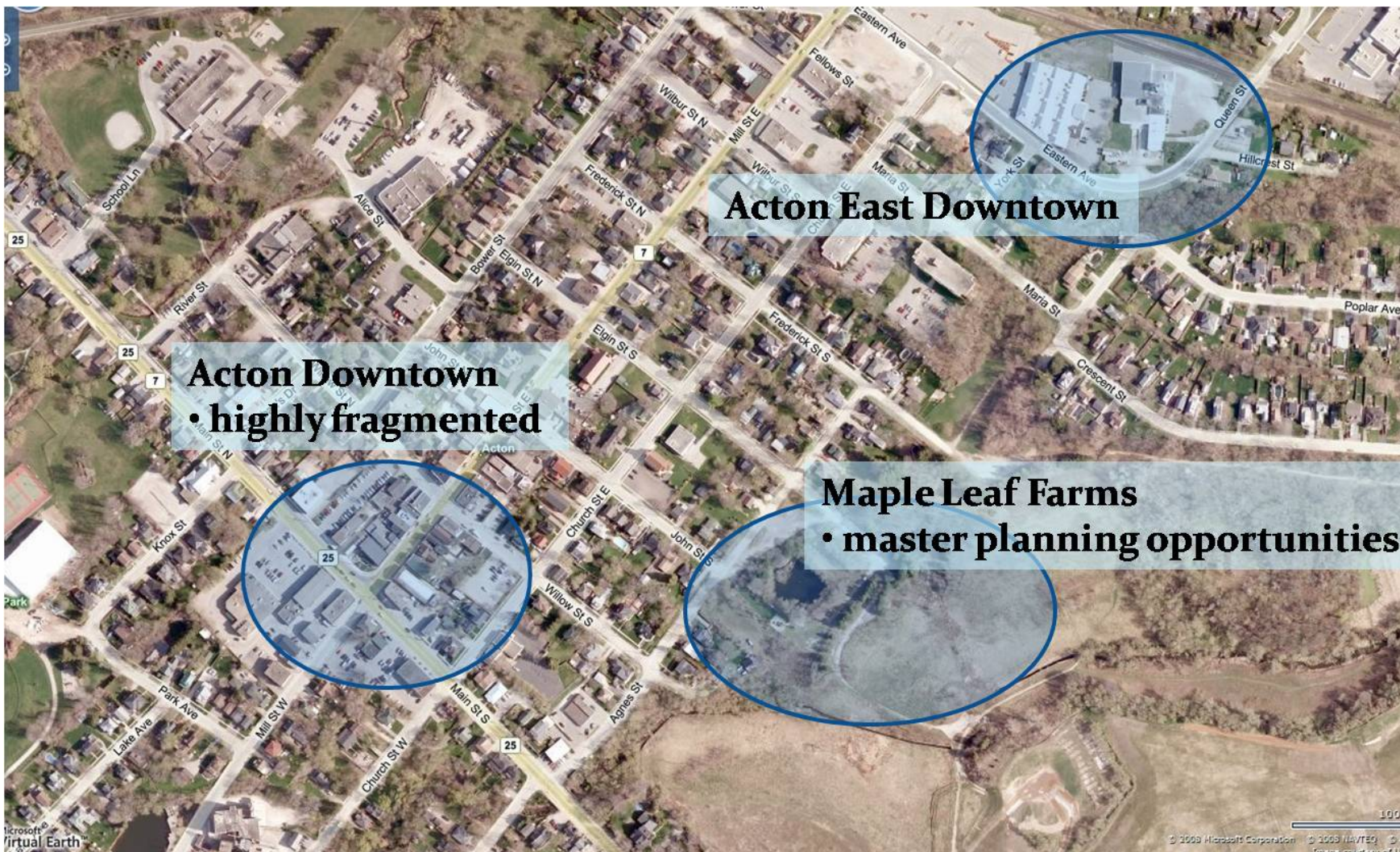


Figure 5. Potential Intensification Areas - Acton



7.0 Conclusions

The following summarizes our key findings.

7.1 Demand will Drive Modest Increases for Townhomes and Apartments

Low density housing forms are forecast to remain the most sought after housing type in Halton Hills. However, during the forecast period we expect the population of Halton Hills to mature and the demand for higher density housing begin to take hold.

The demand for medium and high density units are forecast to rise steadily in the near future as; housing in Halton Hills becomes less affordable, the number of people over the age of 55 increases, and as people's lifestyle choices evolve.

In Georgetown and Acton the demand for intensified residential development will be focused on row/townhomes and, to a lesser degree, apartment units. The demand for row/townhomes in the two combined communities will be equivalent to roughly 118 units per year, while the demand for apartments is expected to be roughly 55 units per year to 2031.

The community of Georgetown is expected to receive the majority of medium and high density growth in the Town of Halton Hills. This is due to Georgetown's greater availability of land relative to Acton, abundance of amenities and services, as well as its proximity to other urban areas and its superior transportation infrastructure.

This level of demand for medium and high density residential units represents a significant increase from historical levels, especially for a small suburban municipality that is expected to continue to be dominated by low density residential housing. This shift to more intensive forms of residential development is consistent with the maturation of other suburban communities in Halton and the GTA.

7.2 Land Economics, Density and Height

The ability of Halton Hills to encourage residential intensification will depend on the interplay of market demand and land economics, both of which can be influenced by planning policy, but not directed by it. Residential apartment development in particular requires very specific conditions to be in place for a project to be feasible. The financial proformas are complex and sensitive to small changes in pricing or design.

To encourage high density development, appropriate densities must be permitted that provide sufficient revenue to support land costs. In downtown areas, where the expensive assembly of lots maybe required, this is especially true. In Georgetown, heights of at least six storeys would likely be required to make a project feasible, which may raise concerns from surrounding community members.

If retail is required at grade, this will likely have to be subsidized by the residential developer. The market rents for retail in downtown Georgetown, as with most small downtowns, would not sustain the economic rents necessary to support new retail, placing additional pressure on the project economics.

7.3 Competition with Other Communities will Grow

As buyers are forced to consider more intensified housing forms (through lack of choice/affordability) they typically seek tradeoffs through better access to transit, walkable and active streets, and proximity to various services and amenities, as well as parks, open space and other community features. Considering that much of the past growth in Halton Hills has been based on in-migration, buyers in the future will continue to be highly mobile. Pricing aside, communities offering the best range of amenities will have the best opportunities to attract growth. This will be especially true for empty nesters whose purchasing decisions are more dependent on these features as opposed to affordability.

For Halton Hills, high density apartments will have to be affordable as well as offering many of these features in order to successfully compete with projects in the more mature and established downtown areas within Burlington, Oakville, Mississauga and Toronto. Singles and young couples are unlikely to trade off a detached home or even a townhouse for an apartment in Georgetown. Instead they will more likely move closer to downtown Toronto accessing easy transit, a broader choice of employment opportunities, entertainment and retail. Seniors usually prefer to stay within their community but are also mobile and will quickly look beyond the borders of Halton Hills to find a residential development that offers all the services and amenities they require.