



The Corporation of the Town of Milton

Report To: Council

From: Jill Hogan, Commissioner, Development Services

Date: February 24, 2025

Report No: DS-011-25

Subject: Town of Milton Housing Needs Assessment

Recommendation: THAT Council receive the Housing Needs Assessment for information; and

THAT Council direct staff to proceed with preparing a Housing Strategy that is informed by the five key issues identified in the Housing Needs Assessment, attached as Appendix A

EXECUTIVE SUMMARY

- In 2024, the federal government introduced an integrated approach to housing and infrastructure, requiring communities with a population of 30,000 or greater to complete a Housing Needs Assessment (HNA) to be eligible for federal funding under infrastructure programs, including permanent transit funding and the Canada Community-Building Fund (CCBF). The HNA must be completed, published to the municipality's website, and submitted to the Association of Municipalities of Ontario (AMO) by March 31, 2025.
- In August of 2023, the Town of Milton applied for funding through the Housing Accelerator Fund (HAF) program and is entitled to receive HAF funding in the amount of \$22,418,300, contingent upon completing a set of identified initiatives aimed at increasing housing supply, submission of an HNA, and achievement of an established housing supply growth target.
- Staff, with support from Tim Welch Consulting and Watson and Associates Land Economists, have completed the HNA. This report provides an overview summary of the key findings of the HNA, which is attached as Appendix A.
- This report also seeks Council direction to proceed to the next phase of work, which will be to prepare an Affordable Housing Strategy using the five key issues identified in the HNA as a basis.
- Council previously approved a two-year contract Affordable Housing Project Manager, through CORS-015-24, to act as a dedicated staff resource for the

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implementation of a new Affordable Housing Strategy. This resource will lead the Town through the suggested next stage as outlined herein.

REPORT

Background

A Housing Needs Assessment (HNA) assists in identifying specific housing needs within a community. It uses technical data and analysis to identify which policies, strategies and frameworks would be most effective to address the identified local housing needs.

In 2024, the federal government introduced an integrated approach to housing and infrastructure, requiring communities with a population of 30,000 or greater to complete a HNA to be eligible for federal funding. The HNA must be completed, published to the municipality's website, and submitted to the Association of Municipalities of Ontario (AMO) by March 31, 2025. Once an HNA has been completed, a community will not be required to complete a new one for other federal Housing, Infrastructure and Communities Canada programs, other than to update it every five years.

Staff, with support from Tim Welch Consulting (TWC) and Watson and Associates Land Economists (Watson), have completed the HNA (attached to this report as Appendix A).

A pre-populated version of a standardized HNA template was made available to all municipalities across the country with a population of 30,000 or greater, to reduce the amount of data collection at the local level. The pre-populated template requested additional locally sourced data and information. The federal government also encouraged local municipalities to expand upon the pre-populated template for further context, as necessary.

Accordingly, the Town's HNA uses the pre-populated template as the basis and expands upon that information to provide further context. This included:

- Adding Regional and Provincial data to allow for comparative analysis;
- Transforming the data tables from the template into figures, charts and tables to make it easier to understand by a wider audience (as agreed by the federal government, the Town will include the template as an appendix to the HNA to allow for ease of their internal review);
- Conducting a series of stakeholder interviews with: Milton Chamber of Commerce; Town of Milton economic development; Halton Region Housing Services; Halton

Background

Housing Help; Milton Transitional Housing Corp.; Links2Care; Community Living North Halton; Remington Group; Mattamy Homes; Central West Specialized Developmental Services; Support House; Halton Healthcare; and, Conestoga Students Inc.;

- Utilizing resident feedback provided through an online community survey; and,
- Leveraging and building upon the detailed growth analysis conducted by Watson through the Residential and Non-Residential Needs Analysis Report (DS-049-24).

Key findings and information from the HNA will connect identified needs to actions through the development of a Housing Affordability Strategy, which is the next phase of work. This work will help to better define the Town’s role in helping to address local housing needs, in addition to meeting our obligations under our funding contribution with the CMHC for the HAF. The Housing Affordability Strategy phase of the work plan will be further informed by engagement with additional stakeholders, Council, and the community. Updates to Council are anticipated to occur throughout 2025.

Discussion

Overview and Definitions

The Housing Continuum

Many organizations use what is referred to as the “housing continuum” to illustrate and explain the range of housing options that exist in a community based on income, situation, type and tenure of housing. An individual’s housing needs may shift back and forth along the continuum at different points in their lives, based on circumstances. Ideally, communities should offer housing options at all points along the continuum to meet the range of needs of current and future residents. The housing continuum can be used as a tool to evaluate the state of housing in a community and identify gaps to support implementation of appropriate housing solutions. The housing continuum is illustrated below:



Discussion

Roles in Addressing Housing Need

All levels of government, the private sector and the not-for-profit sector have roles to play in addressing housing need in a community. The Town must work with all stakeholders and community building partners to support the delivery of the range and mix of housing options required for a balanced and healthy housing continuum.

The Town of Milton does not build homes and is not directly responsible for overseeing, managing or administering non-market housing. It is the role of the Town to create the conditions necessary for the delivery of a range and mix of housing types. This is achieved primarily through undertaking long-term planning work, facilitating the approvals process and building permitting process. The figure below shows areas where the Town does and does not have control as it relates to housing:

In the Town's Control

- Development approvals and building standards 
- Growth management
- Identify and understand local needs and opportunities
- Incentives
- Policies and regulations to encourage a broad range and mix of housing
- Advocacy
- Partnerships
- Building community capacity and awareness
- Share information with other levels of government, municipal partners, council, etc.

Not in the Town's Control

- List price for new and resale housing units 
- Tenure of housing units
- Timing for when homebuilders complete projects once approvals have been granted
- Provincial or federal legislation, including the definition of "affordable"
- Requiring that affordable housing be built *(except in circumstances where a regulatory tool would allow this, such as inclusionary zoning or a Town-provided incentive and funding agreement)*
- Requiring that housing, once built, be provided to specific groups or persons
- Direct provision (i.e. development) of housing

Defining Affordable

"Affordable Housing" is defined and discussed in many ways. Definitions of affordability generally fall into one of two categories: income-based or market-based.

- An income-based definition looks at affordability relative to income, where spending more than 30 per cent of your before-tax household income on housing means there is an affordability issue (CMHC definition). This definition emphasizes that affordability is relative to household's financial means
- A market-based definition relates to the average or median sales price and rents in a geographic area, where housing sold at or below those average or median sales

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prices or rents is considered affordable. This definition provides context for what housing costs in a community but does not take into account what a household may be able to pay based on their personal income.

- There is also a very personal definition of “affordable” rooted in a person’s lived experience and worldviews.

Sometimes, the term “affordable housing” is confused with the term “assisted housing”. However, this is just one category of housing across the housing continuum. Assisted housing is housing that is affordable for low and moderate income households for rent or purchase where part of the housing cost is subsidized through a government program or other means (it is also sometimes referred to as deeply affordable housing, rent-geared-to-income housing, subsidized housing and social housing). The Town is not responsible for administering or delivering this type of housing; however, the Town is required to work with the Region, who is the service manager for this type of housing, as well as other levels of government, to ensure that this type of housing is provided in the community.

There are three key pieces of information that the HNA considers in determining the local definition of affordability: the Provincial Planning Statement, 2024 (PPS); the Affordable Residential Units for the Purposes of the Development Charges Act, 1997 Bulletin (Provincial Bulletin); and, the Housing Assessment Resource (HART) tool. Each of these is discussed briefly below.

Provincial Planning Statement

Municipalities in Ontario must consider and apply the Provincial Planning Statement (PPS) directions when preparing and implementing Official Plans and planning for housing. The PPS defines affordable differently than CMHC. Because the Town is required to implement policies in their Official Plan that conform to the PPS, future work at the Town to establish a policy framework will be based on the PPS definition, which is provided below:

Affordable (in the case of ownership): means the least expensive of: housing for which the purchase price results in annual accommodation costs which do not exceed 30 percent of gross annual household income for low and moderate income households; or, housing for which the purchase price is at least 10 percent below the average purchase price of a resale unit in the municipality; and,

Affordable (in the case of rental housing): means the least expensive of: a unit for which the rent does not exceed 30 percent of gross annual household income for low and moderate

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income households; or, a unit for which the rent is at or below the average market rent of a unit in the municipality.

Low and moderate income households is defined as:

- In the case of ownership means households with incomes in the lowest 60 percent of the income distribution for the municipality; and,
- In the case of rental housing, household with incomes in the lowest 60 percent of the income distribution for renter households for the municipality

Based on the direction of the PPS, and definitions contained therein, municipalities are required to establish and implement minimum targets for the provision of affordable housing; and working with Service Managers to plan for the full range of housing options including affordable housing needs.

Provincial Bulletin

Released in June of 2024 by the provincial government, this bulletin sets the exact purchase price and rent for when a unit is considered affordable for each municipality in Ontario and thus eligible for an exemption from development charges and exclusions from the maximum community benefits charge and parkland dedication requirements. The Province intends to update these annually. The 2024 established affordable purchase price and rental prices for Milton are provided below:

- Ownership affordable purchase price: \$524,600;
- Ownership affordable rental price:
 - Bachelor: \$1,243;
 - 1-bedroom: \$1,451;
 - 2-bedroom: \$1,626; and
 - 3- bedroom or greater: \$1,864.

To receive development charge exemptions, these units must be subject to agreements that provide for them to remain affordable residential units for 25 years.

Housing Assessment Resource Tools (HART)

The HART Housing Needs Assessment Tool was developed by the Housing Research Collaborative at the University of British Columbia. The tool uses Census data to assist local governments in identifying housing needs based on income categories to support establishing housing targets; and, a standardized reporting mechanism for the entire country. The federal HNA template requires that municipalities use and report on information generated by the HART Housing Needs Assessment Tool.

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The table below shows the range of household incomes and affordable housing costs that make up each income category along with the proportion of total households that fall within each category for the Town of Milton.

Income Category	% of Total Households	Annual Household Income	Affordable Shelter Cost (2020)
Area Median Household Income (AMHI)	-	\$126,000	\$3,150
Very Low Income (20% or under of AMHI)	1.7%	Less than or equal to \$25,200	Less than or equal to \$630
Low Income (21- 50% of AMHI)	13.26%	\$25,200 to \$63,000	\$630 to \$1,575
Moderate Income (51-80% of AMHI)	20.2%	\$63,000 to \$100,800	\$1,575 to \$2,520
Median Income (81-120% of AMHI)	27.75%	\$100,800 to \$151,200	\$2,520 to \$3,780
High Income (121% or more of AMHI)	37.08%	Greater than or equal to \$151,201	Greater than or equal to \$3,781

Based on this information, a monthly shelter cost of \$3,150 would be considered “affordable” based on the area median household income of \$126,000. Low and moderate income households make up just over 30% of the Town’s population, where a monthly shelter cost of \$630 to \$2,520 would be considered affordable—this is quite a large range. When Staff does further analysis based on income distribution for the purposes of developing and implementing targets in the Official Plan, it is likely that the definition of “affordable” will fall somewhere in this range.

Summary of Key Data Findings

Demographics

- Milton is growing at a much faster pace than Halton Region and the Province.
- Milton has a higher proportion of younger residents when compared with the Region and Province. Just over 30 per cent of Milton’s population falls within the 25 to 44 age bracket.
- Milton’s household size (3.3 persons) is larger, on average, when compared with Halton Region (2.8 persons) and the Province (2.6 persons)

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- Milton has more couples with children and multiple generation families and less one person households when compared with the Province
- The Town is expected to see an increase in the student population as enrolment increases at both Conestoga and Laurier

Income

- The median household income in Milton is \$126,000. This is higher than both the Region (\$121,000) and Province (\$91,000). The average household income in Milton is \$142,500. This is lower than the Region (\$156,800) but higher than the province (\$116,000).
- 37 per cent of Milton's households have an income of \$150,000 or greater
- Renter households in the Town have much lower incomes than owner households.
 - The average renter household income is \$80,100, whereas the average owner household income is \$155,400
 - The median renter household income is \$65,000 whereas the median owner household income is \$120,000

Housing Supply

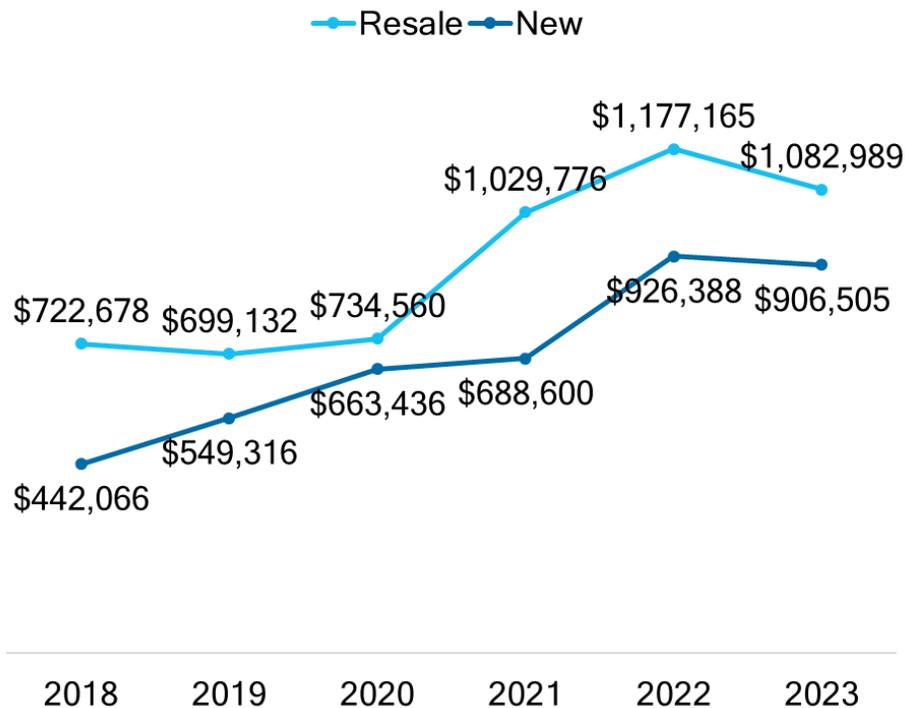
- Milton's Housing Stock is relatively new and is predominantly low density
- More than 80 per cent of dwellings in Milton have at least three or more bedrooms, with approximately 42 per cent of dwellings having four or more bedrooms. There are very few housing options in the Town that have less than three bedrooms, with approximately 12 percent of dwellings having two bedrooms and 5 per cent having one bedroom
- Development is transitioning toward higher density forms and will continue this pattern as the Major Transit Station Areas (MTSAs) and other identified growth areas build out and intensify
- There are very few purpose built (primary market) rental units available in the Town (709 units)
- CMHC tracks vacancy rates in the primary market and considers a 3 per cent vacancy rate to be "healthy. The Town's vacancy rate was 2.5 per cent, which indicates an unhealthy primary rental market
- Based on the most recently available CMHC and Census data, there are currently 709 primary rental units and 6,950 rental households, suggesting most rental households live in secondary rental units
- The Town's renter population is projected to grow based on residential and non-residential land needs study completed for the Official Plan

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- There will be a growing need for 1- and 2-bedroom units over time, to support aging in place and affordability of single person households with one income

Ownership Housing Market

- The graph below shows the average sale price for new housing and resale housing units in Milton between 2018 and 2023 (sourced from Halton Region's State of Housing Report). In both the new and resale markets, the cost of housing is rising year over year.¹



- The following table illustrates the 2024 average sale price range for the various housing types in the Town, based on data obtained from the Toronto Region Real Estate Board (TRREB).

¹ Of note, during the period 2018 to 2023 where the price of an average new dwelling increased by \$464,439 (a 105% increase to \$906,505), the residential development charge rates within the Town (including Town, Region and School) increased by amounts ranging from \$8,708 (a 46% increase) to \$36,546 (a 55% increase), depending on the dwelling type and location.



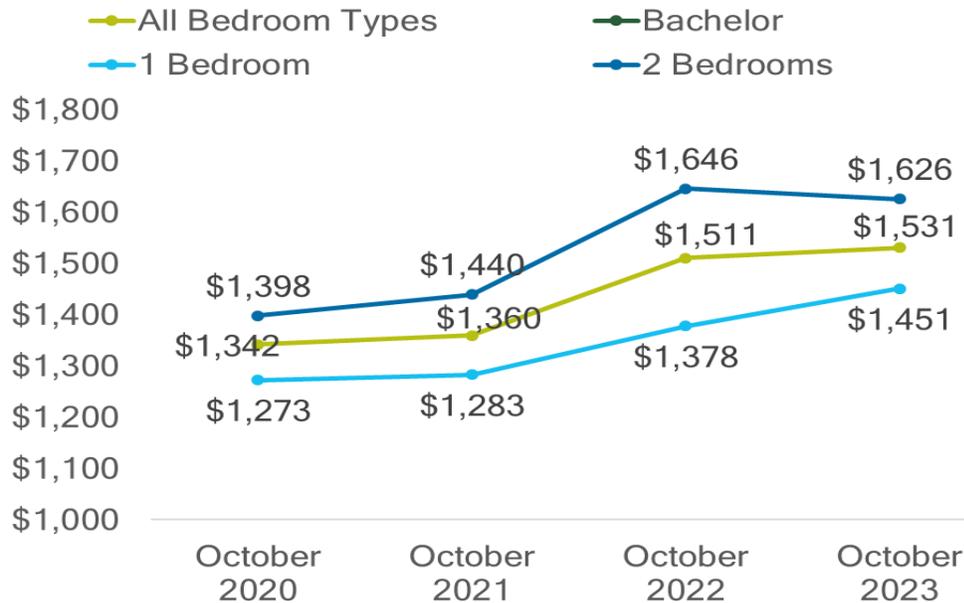
Discussion

Housing Type	2024 Sale Price Range (based on TRREB transactions from January 2024- November 2024)
Single Detached	~\$1.2M- \$1.4M
Link Dwelling	~\$935,000- \$1M
Semi-Detached	~\$980,000- \$1.1M
Attached/ Row/ Townhouse	~\$855,000- \$952,000
Condo Townhouse	~\$644,000- \$745,000
Condo Apartment	~\$550,000- \$662,000
Town-wide, All Types	\$1M

- In 2024, the average sale price for housing Town-wide was \$1 million.
- Condominium apartments are the most affordable option in the Town.
- There were no transactions at or below the \$524,600 benchmark
- Low, moderate and median income brackets can only own if they have a down payment greater than 5% or are spending more than 30% of their income on housing costs.

Rental Housing Market

- The graph below shows the average rents for the various unit sizes in Milton’s primary rental market 2020 and 2023 (sourced from CMHC). In all categories, the cost of rental housing is rising year over year.





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The table below provides a summary of the average rent in Milton’s primary rental market

Unit Type	2023 Average Rent (based on CMHC Rental Market Report)
Bachelor	\$1,243
1 Bedroom	\$1,451
2 Bedroom	\$1,626
3+ Bedroom	\$1,864
All bedroom types	\$1,531

- It is important to note that the average rents calculated by CMHC are based on a primary market rental universe of 709 units and a low vacancy rate, and includes rent-controlled units
- Secondary market units are typically more expensive than primary market units. A point in time scan of private rental listings shows that the average rents for secondary market units are higher than those reported by CMHC for primary rental market. Given that most rental housing needs are being met by the secondary rental market, there may be continued affordability challenges among renter households if there is not an increase in the primary rental market.

Affordable Housing Deficit

- The HART tool estimates a deficit of 3,595 affordable units in the Town. The table below shows the breakdown of the Town’s affordable housing deficit. In total, there is an estimated deficit of 3,595 affordable housing units. One-person households have the largest deficit.

Income Category	One Person Household	Two Person Household	Three Person Household	Four Person Household	Five+ Person Household	Total
Very Low Income (\$630)	365	45	15	0	0	425
Low Income (\$1575)	605	735	525	530	355	2,750
Moderate Income (\$2520)	0	0	55	175	190	420
Median Income (\$3780)	0	0	0	0	0	0
High Income (> \$3780)	0	0	0	0	0	0
Total	970	780	595	705	545	3,595

Discussion

Engagement

As noted previously, engagement with several identified stakeholders as well as an online community survey were completed in order to provide a more detailed lens on local issues, including information on current housing challenges and opportunities in the Town, and build upon the statistical and technical data components of the HNA.

Between December 2024 and January 2025, interviews were conducted with representatives from a variety of stakeholders, including local developers, not-for-profit agencies, Conestoga students, Halton Region and Town of Milton. In total, 13 interviews were conducted. The online community survey was posted to the Town's Housing Affordability Strategy Let's Talk webpage and ran from December 9, 2024 to January 3, 2025. During that time, 148 submissions were received.

The HNA goes into greater detail on the outcomes of these engagement measures, however the key themes are as follows:

- Interviewees highlighted the affordability gap as one of the most pressing challenges, along with the lack of rental housing options;
- The lack in diversity of housing types also arose as a concern, highlighting the importance of housing diversity to ensure a range of affordability in Milton, including (but not limited to) low-, medium- and high- density housing, supportive housing, emergency housing, purpose-built rental housing, accessory dwelling units, and accessible housing;
- There was concern identified with the pace of growth relative to local infrastructure, with survey respondents indicating a desire to align infrastructure, community services and amenities with the pace growth and ensure proactive planning to ensure these are in place as the Town grows;
- There were concerns with the rising cost of construction and potential impact that may have on housing prices in the short- and medium- term;
- An acknowledgement of the good relationship between the Town and the development community and appreciation for the overall cost of development fees and timing for approvals, when compared with other municipalities;
- Concerns about residential accommodation for future students and potential impacts of the student population on competition in an already tight rental market;
- Concerns about the challenges faced by students in the rental market, particularly as it relates to affordability, safety, inclusivity and supports for capacity building around navigating leases, tenancy agreements, roommate and landlord disputes, etc.

Discussion

Key Issues

The figure below shows the housing continuum, highlighting a variety of tools that can be used to address the delivery of housing across the continuum, as well as identifying specifically where the Town can make the greatest impact.



Based on this role and area of impact, the following key issues have been identified for the Town to use as the basis for the development of a more detailed Housing Affordability Strategy:

- **Issue 1:** There is a need to establish an approach to support housing affordability and inform decision-making on land use planning matters
- **Issue 2:** There is a need for a broader diversity of housing forms and tenures in the Town to meet residents' needs throughout their lifecycle
- **Issue 3:** There is a need for an increased supply of purpose-built primary market rental units
- **Issue 4:** There is a need for an increased supply of "below-market" ownership and rental housing options in order to align the Town's housing supply with the reality and financial limitations of middle-income earners
- **Issue 5:** There is a need for the Town to work with other levels of government, the not-for-profit sector and private developers to ensure that housing options are available to meet the needs of all residents and address the affordable housing deficit.

Discussion

Next Steps

- The HNA will be published on the Town's website by March 31st in order to meet federal reporting deadlines.
- Staff will use the information from this HNA to inform the development of housing-related targets and policies to be included in the Town's Official Plan
- The information from this HNA, and specifically the five (5) key issues indicted therein, will also be used to connect identified needs to actions through the development of a Housing Affordability Strategy, which will be further informed by engagement with additional stakeholders, council, and the community.

Financial Impact

Completing and publishing the HNA by March 31, 2025 is a requirement for the Town to be considered for federal infrastructure funding.

The HAF Contribution Agreement between the Town and the Canada Mortgage and Housing Corporation will provide the Town a total of \$22,418,300 in equal installments over the next four years to help support growth in housing and housing options within the community. This funding is conditional upon the Town's progress on the implementation and achievement of the Commitments identified in the Contribution Agreement, which include:

- Completion of the initiatives;
- Achievement of the Housing Supply Growth Target and Additional Targets; and
- Submission of a Housing Needs Assessment Report.

The Housing Affordability Strategy will be undertaken largely with existing resources. Where external expertise and supports are required, they will be retained in accordance with the Town's budget and procurement policies.

The strategy that is developed will identify actions for the Town to consider over the short, medium- and long term to address the issues identified in the HNA. It is possible that implementation of some of the actions may require financial support. Costs and timing associated with implementation of recommended actions will be identified within the Housing Affordability Strategy and brought forward to Council at a future date.

Respectfully submitted,



Jill Hogan
Commissioner, Development Services

For questions, please contact: Kelly Martel, Project Manager- Affordable Housing Phone: Ext. 2370

Attachments

Appendix A- Town of Milton Housing Needs Assessment

Approved by CAO
Andrew M. Siltala
Chief Administrative Officer

Recognition of Traditional Lands

The Town of Milton resides on the Treaty Lands and Territory of the Mississaugas of the Credit First Nation. We also recognize the traditional territory of the Huron-Wendat and Haudenosaunee people. The Town of Milton shares this land and the responsibility for the water, food and resources. We stand as allies with the First Nations as stewards of these lands.