

## Welcome to Mississauga Data

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Mississauga Data is the official City of Mississauga website that contains urban planning related reports, newsletters, brochures and data. The Information Planning Research Unit manages statistical data including: population, demographics, census, development monitoring/activity, growth forecasts, housing, employment, office, land use, vacant employment lands, and the environment.

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# HOUSING MATTERS

## 2002

### The Ownership Market

According to data from the Canadian Real Estate Association (CREA), resale activity and prices in Mississauga experienced a significant increase in 2001. The 9,936 sales recorded was an increase of 16% over the previous year. The average price of a resale home continued its steady climb of the last five years to reach \$250,078. This is an 11.5% increase over the average price in 2000.

Despite price increases and concerns regarding an economic turndown, the housing market remained strong in 2001. This strength in the market is largely attributed to continued low interest rates. In December, the 3-year mortgage rate averaged 5.64%. This meant that a \$100,000 mortgage amortized over 25 years resulted in a payment of \$619 per month, which is \$113 per month less than the previous year.

A review of house price increases by type, as reported by Royal LePage, indicates that the most significant increases were in the Northwest quadrant of the City. The price of a senior executive detached two-storey house and a standard condominium apartment in this area rose by 6.7% and 6.6% respectively. Standard detached two-storey houses and standard townhouses also experienced strong price gains of 4.7%. In the rest of Mississauga, detached bungalows experienced the strongest price gain of 4.9%, followed by standard condominium apartments (4.7%) and standard detached two-storey houses (4.1%).



*"Apartments Available"  
Reversing the trend of the past several years,  
vacancy rates more than doubled last year making  
signs like this one in Port Credit more common.*

### The Rental Market

The Canada Mortgage and Housing Corporation (CHMC) reports that vacancy rates for rental units in Mississauga more than doubled last year. From a previous year rate of 0.5, vacancy rates climbed to 1.1 in 2001. A review of vacancy rates by unit type indicates that only bachelor units experienced a decline, albeit a modest decline from 0.4 in 2000 to 0.3 in 2001.

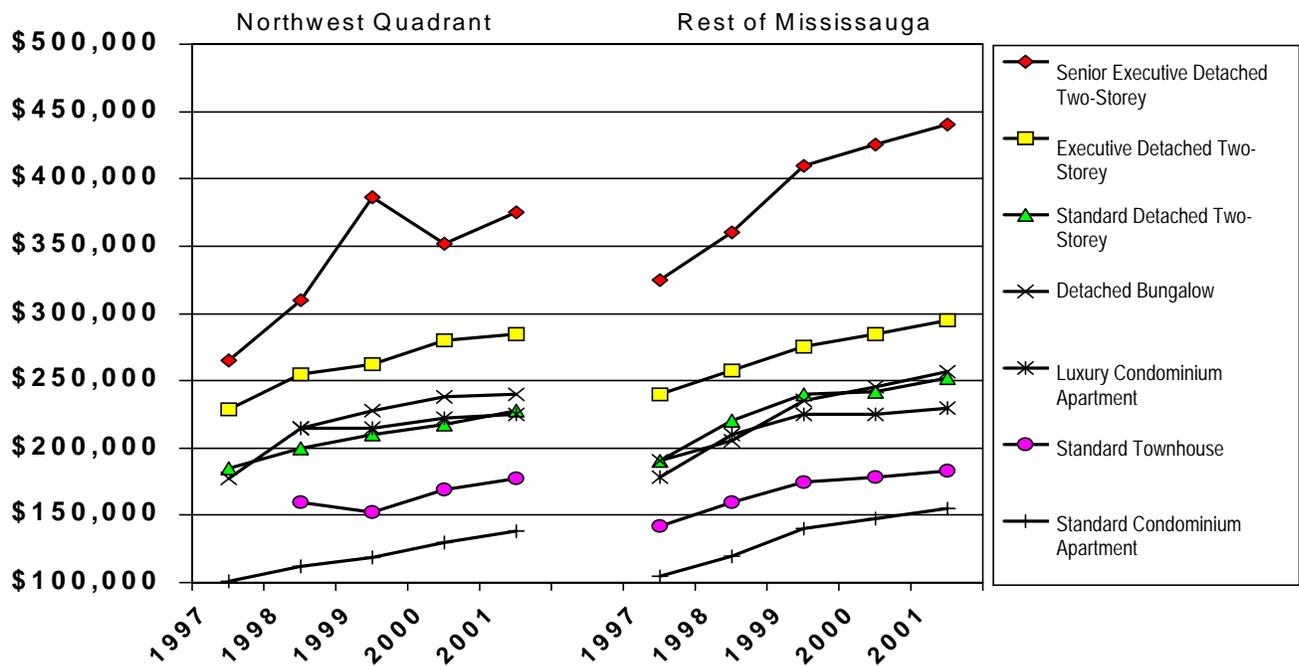
All other unit types had a vacancy rate of 1.0 or higher. At 1.6, three bedroom units had the highest vacancy rate. While

there has been an improvement in vacancy rates, rates remain low by historic measures.

Average rental rates in Mississauga climbed 2.2% to \$958 in 2001. This increase is considerably lower than the 12.2% increase experienced the previous year. This year, the highest increase was 3.7% for one bedroom units resulting in an average rent of \$868. Both two and three bedroom units in Mississauga now have an average rental rate exceeding \$1,000.

Increases in the vacancy rate have occurred despite continued strong immigration levels in the Greater Toronto Area. Homeownership costs are at historic lows and are a major contributing factor to increases in the vacancy rate. Also, as rents have continued to

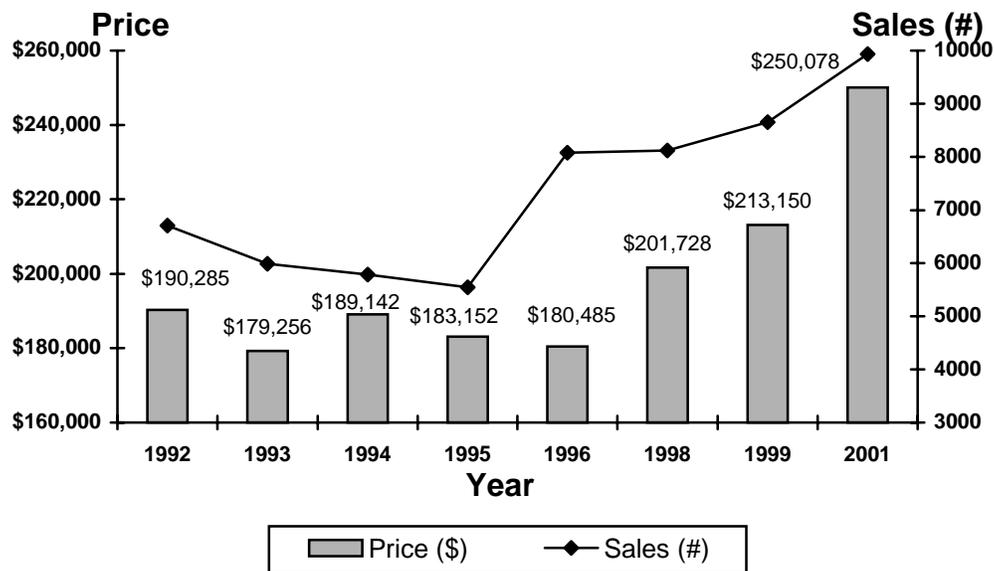
**House Prices**  
City of Mississauga, 1997-2001



Source: Royal LePage "Survey of Canadian House Prices"

Notes: The Northwest Quadrant corresponds to the Toronto Real Estate Board (TREB) district W20 which is bounded by Highway 403, the Credit River, Highway 401 and Ninth Line and includes the Lisgar, Meadowvale, Meadowvale Business Park, Streetsville, Churchill Meadows and Central Erin Mills planning districts. Data refers to October to December of each year.

**Resale Activity**  
City of Mississauga, 1991-2001



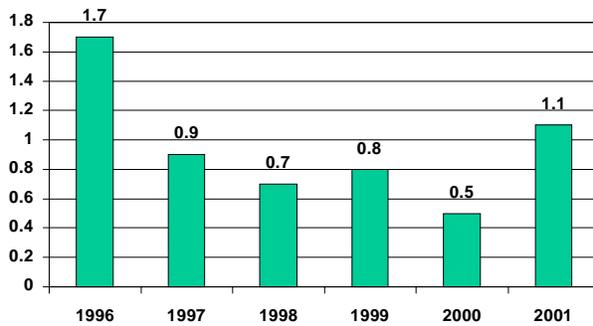
Source: Canadian Real Estate Association (CREA)

Note: Data refers to year end.

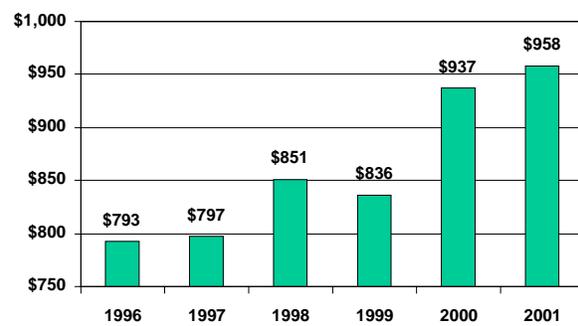
Vacancy Rates  
City of Mississauga, 1996-2001

Year	All Units %	Bachelor %	1 Bedroom %	2 Bedroom %	3 Bedroom %
1996	1.7	2.3	1.4	1.8	1.6
1997	0.9	0.8	1.0	0.9	0.8
1998	0.7	0.7	0.7	0.6	0.8
1999	0.8	0.9	0.9	0.7	1.0
2000	0.5	0.4	0.5	0.4	0.7
2001	1.1	0.3	1.2	1.0	1.6

Vacancy Rates (All Units)  
City of Mississauga, 1996-2001



Average Rents (All Units)  
City of Mississauga, 1996-2001



Average Rents  
City of Mississauga, 1996-2001

Unit Type	Year/\$					
	1996	1997	1998	1999	2000	2001
Bachelor	\$578	\$589	\$639	\$695	\$666	\$668
1 Bedroom	\$699	\$714	\$758	\$771	\$837	\$868
2 Bedroom	\$847	\$845	\$901	\$898	\$994	\$1,004
3 Bedroom	\$914	\$910	\$1,003	\$1,016	\$1,111	\$1,136
All Units	\$793	\$797	\$851	\$836	\$937	\$958

Source: Canada Mortgage and Housing Corporation (CMHC) "Rental Market Report"  
Note: Data refers to private apartments in buildings with three or more units and to October of each year.

(Continued from page 1)

increase, some households that are not able or ready to enter the ownership market are doubling-up to save on housing costs.

The outlook for 2002 suggests that due to improved rental supply, vacancy rates will continue to edge up. Also contributing to a higher vacancy rate, are interest rates that continue to make homeownership attractive for many, particularly since rental rates are expected to continue to increase. The Rent Review Guidelines for 2002 approved a rent increase of 3.9% up from the 2.9% approved for 2001. Also, as landlords are facing increased heating expenses, a number of applications to the Ontario Rental Housing Tribunal have been filed seeking approval for yet further rent increases. However, due to higher vacancy rates, the full magnitude of higher heating costs is not expected to be passed on to tenants.

## The Secondary Rental Market

The CMHC annual rental survey monitors the conventional rental market which includes buildings with three or more rental units and condominium buildings where more than 50% of units are available for rent. However, it is widely recognized that many non-conventional rental units, known as "secondary rental units," are also available. To gain some understanding of this important segment of the rental market, the Ontario Ministry of Municipal Affairs and Housing and CMHC retained The Starr Group Inc. and in April, 2000 released a report titled "*Secondary Rental Market Study*."

The secondary rental market is comprised of non-conventional rental units which includes rental units in detached, semi-detached and townhouse dwellings, duplexes, rental condominiums, accessory apartments and apartments over stores. The secondary rental market is highly elastic. For example, the availability of condominium apartments for rent has declined as

the market adjusted from the oversupply in early 1990s and as the rates of owner occupancy have increased. Also, many rental spaces in houses are only available to a select few, such as family members, or are removed from the rental market as the owner's financial situation changes or as ownership changes. As such, the secondary rental market does not represent a stable source of rental housing and units can be removed from the market with little notice. This leaves tenants with little security of tenure. Further, some secondary rental units are illegal and do not meet health and safety standards.

Although not stable, the secondary rental market is an important component of the rental supply. In Mississauga, Census of Canada data indicates that one-third of households are renters. It is estimated that over half of these households are accommodated in the secondary rental market.

Measuring and monitoring the secondary rental market is difficult because of its elastic nature and because some units (e.g. basement apartments) are not permitted uses in many areas. Using a variety of sources such as listing information on housing units sold, newspaper advertisements and interviews with staff at student housing centres, local building officials and real estate agencies, the Starr study found that in some market areas secondary rental units provide the majority of rental units and as the production of conventional rental housing remains low, the secondary rental market may play an increasingly important role. However, the secondary rental market is sensitive to changes in the real estate market and overall economic conditions. It was found that, similar to conventional rental housing, vacancy rates are low and rents are increasing.

The Starr study concluded with recommendations that the secondary rental market be supported, particularly affordable unit types, and that annual monitoring be undertaken.