

A study of regional trends in housing starts in the Greater Toronto Area

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Outline

- Introduction
- Background
- Research agenda in housing markets
- Regional trends in housing starts

Introduction

- This paper presents a temporal analysis of regional differences in new home construction in the GTA.
- The new homes market is disaggregated by structural type of housing into four types: single-family detached, semi-detached, condominiums and row/link housing.
- The study shows that high-density condominium construction is concentrated in central Toronto whereas low-density housing construction is concentrated in the outer suburbs.

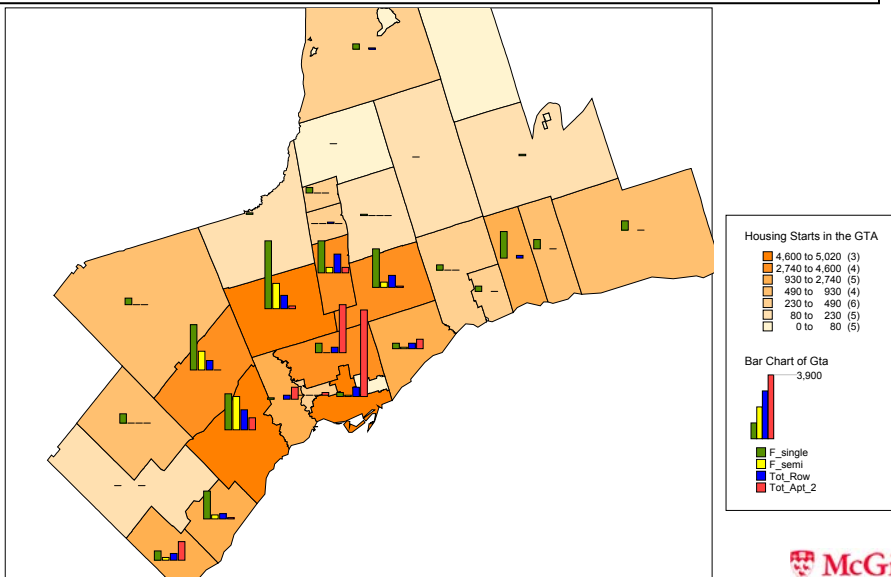
Background

- Housing starts play a fundamental role in the regional and national economies.
- An increase in housing starts increases construction employment and it also induces the sale of raw materials consumed by housing.
- New homebuyers often buy other consumer durables, such as furniture, electric appliances, and the like.
- Similarly, the GTA, being the largest housing market in Canada, represents 55% of new home sales in Ontario and 25% of new home sales in Canada.

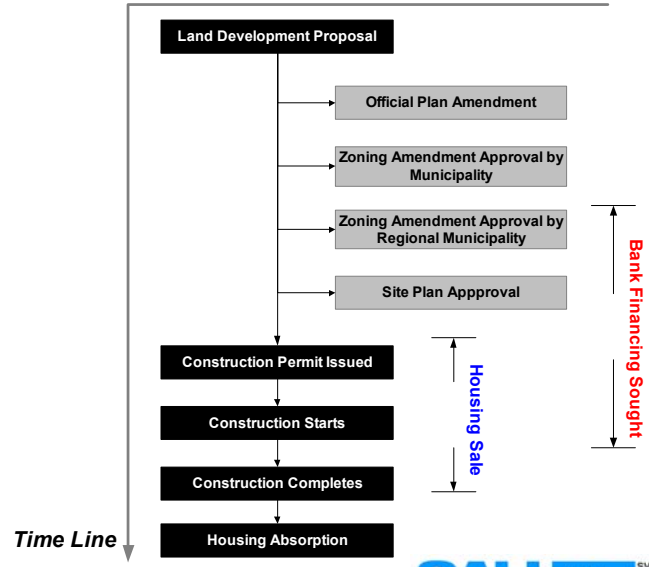
Data

- Statistics Canada
- CMHC

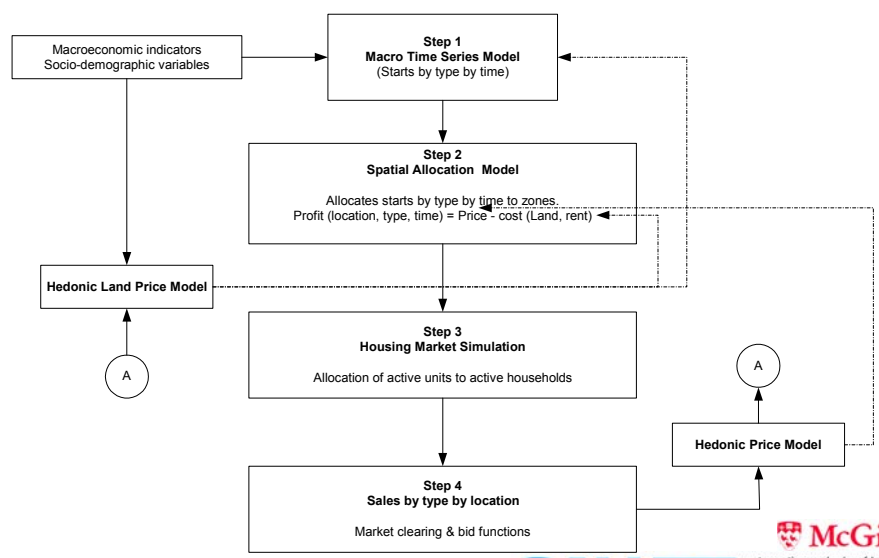
Spatial Distribution of Starts in GTA



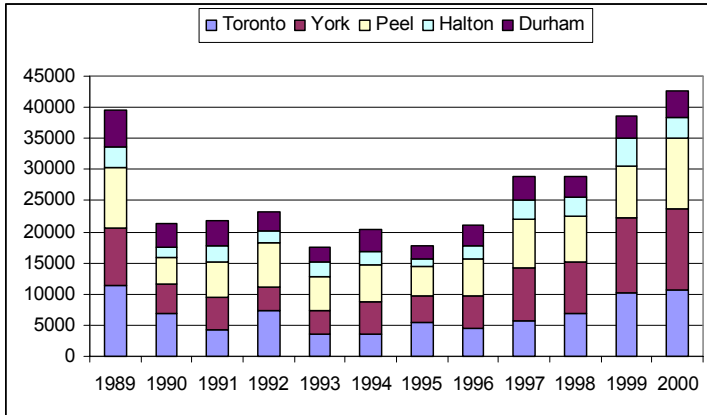
Land Development & Housing Supply



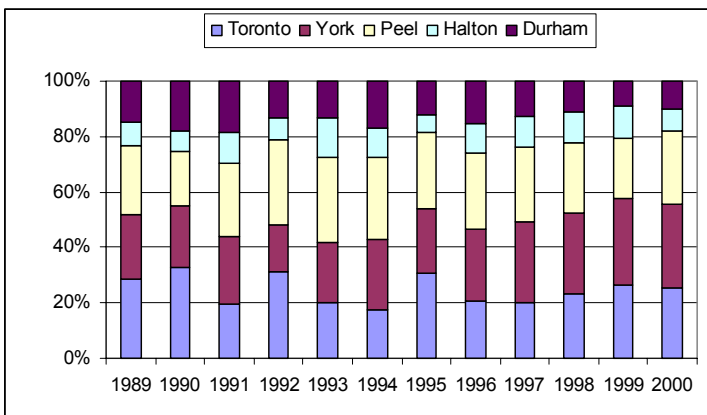
Modelling Schema



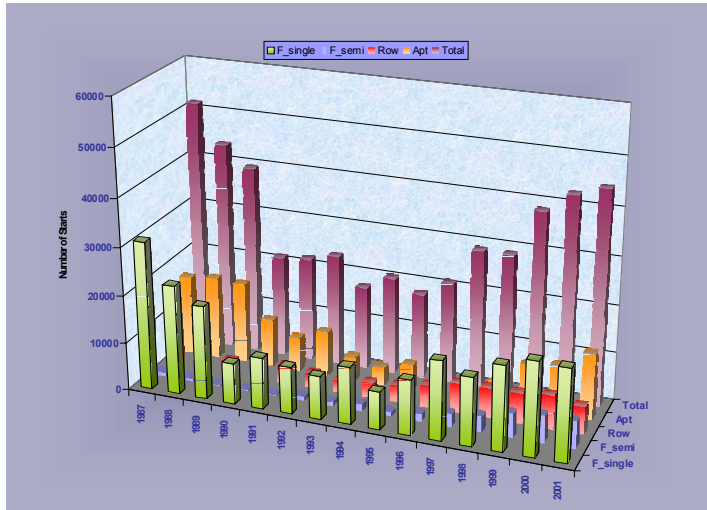
Regional Starts in the GTA



Regional Market Shares in the GTA

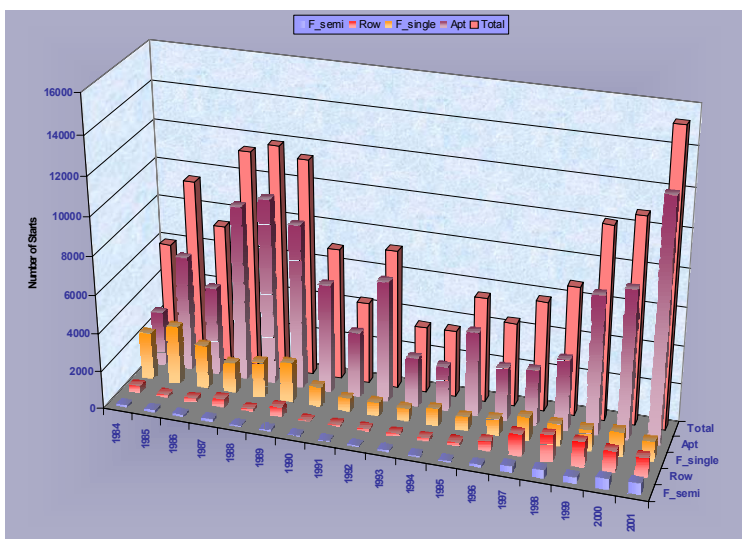


Housing Starts in the GTA



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Housing Starts in Toronto



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Market Shares in the GTA

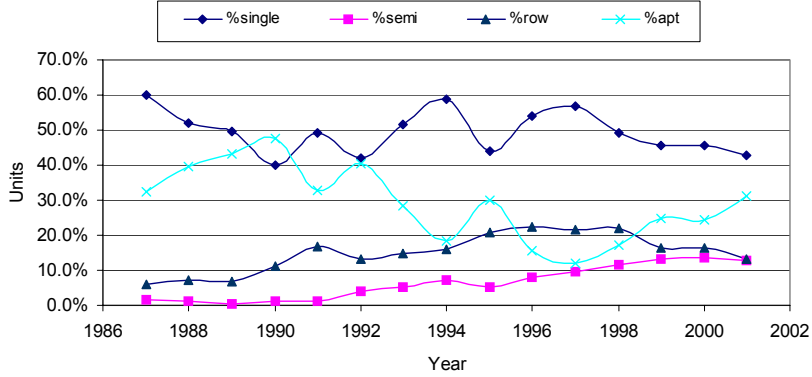
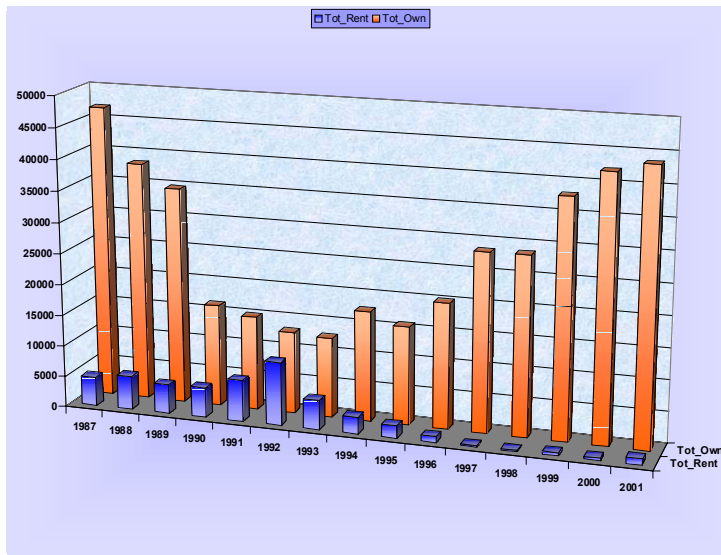


Figure 3.2: Market share of housing types in the GTA

Rental Starts in the GTA



Market Share of Rental Starts in the GTA

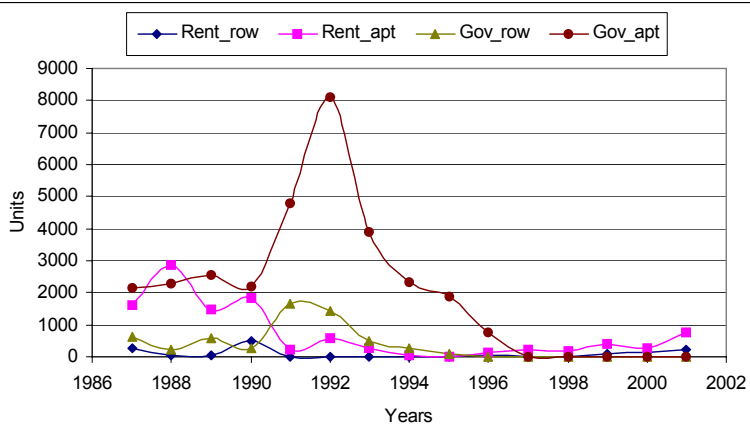


Figure 3.4: Rental Housing Starts in the GTA

Market Shares in Toronto

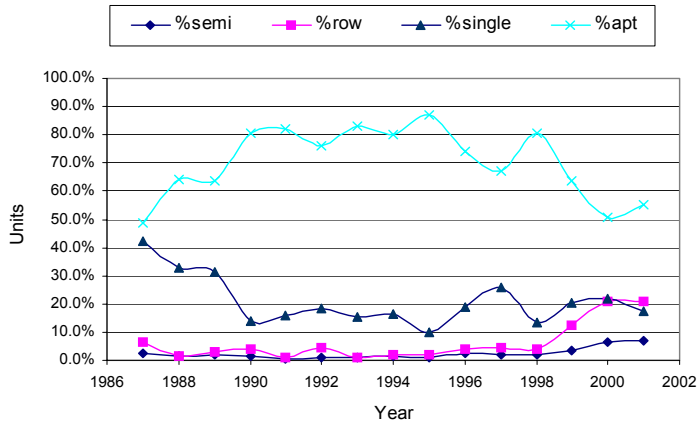


Figure 3.6: Market share in the City of Toronto

Rental Starts in Toronto

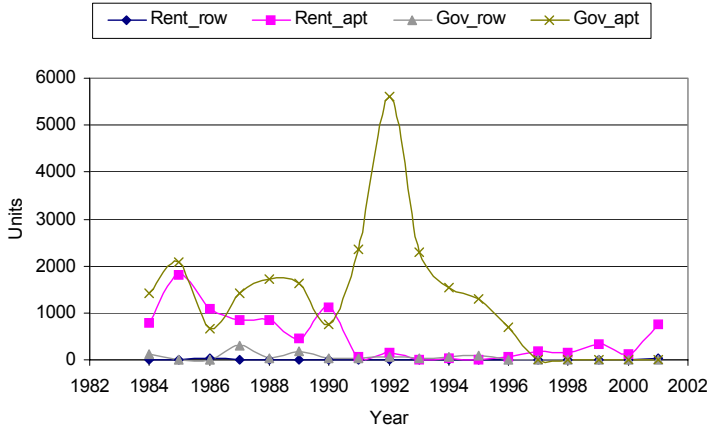


Figure 3.7: Rental Housing Starts in the City of Toronto

Market Share of Housing Starts in York Region

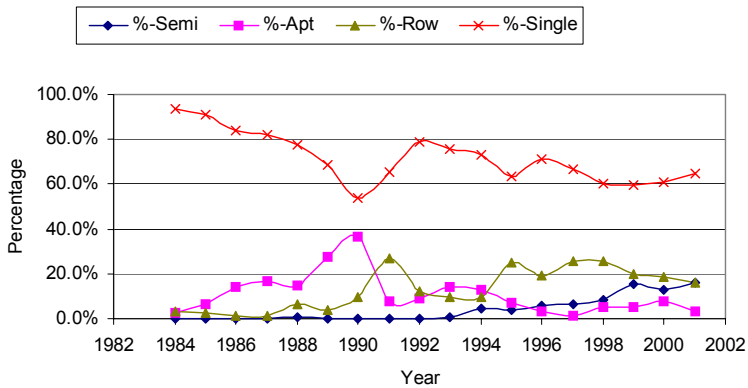


Figure 3.8: Market Share of Starts by Type in York Region

Market Share of Housing Starts in Peel Region

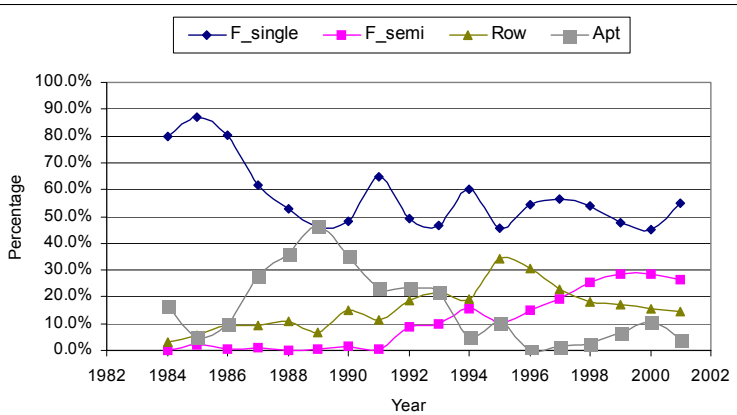


Figure 3.12: Market share by type in Peel region

Rental Starts in Peel Region

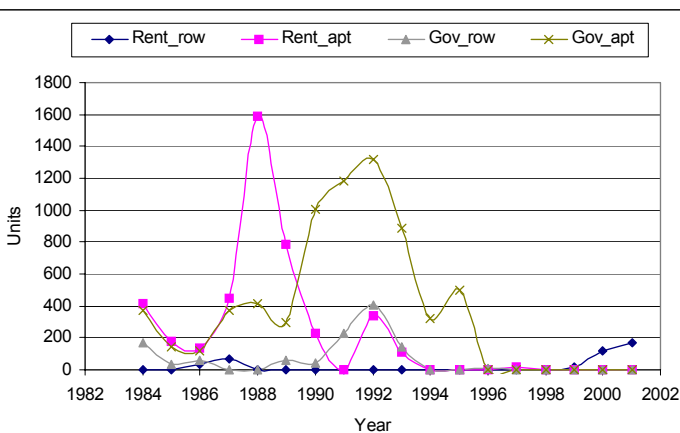


Figure 3.13: Rental Housing Starts in Peel Region

Market Share of Housing Starts in Durham

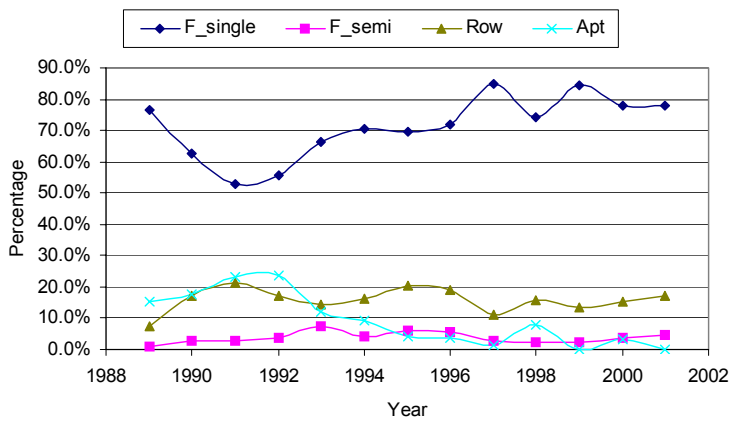
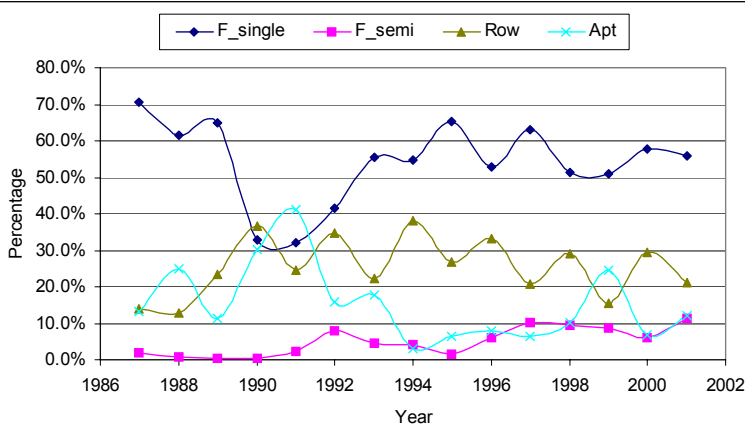
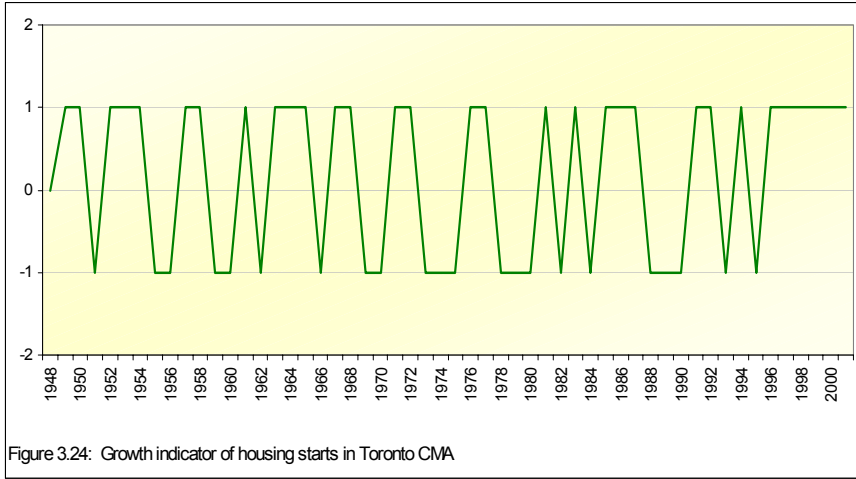


Figure 3.15: Market Share by Type in Durham region

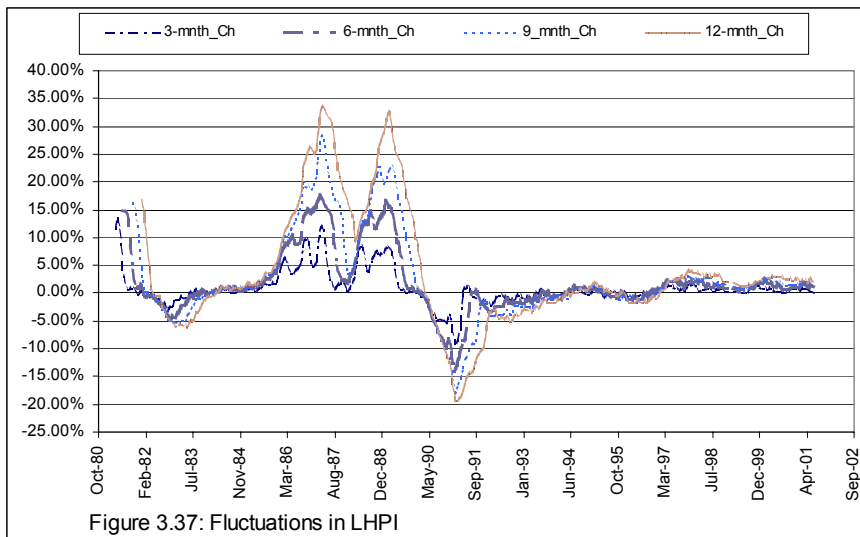
Market Share of Housing Starts in Halton



Sustained Growth in Housing Starts



Fluctuations in Price Indices



Conclusions

- The latest boom in new housing construction, which started in late nineties and lasted until 2002, has been the largest expansion in the new housing construction since 1948.
- The paper suggests a change in housing market composition where market share of row/link housing increased from about 5% in 1987 to over 20% during 1996-98.
- Similarly, the market share for semi-detached housing increased from less than 2% to more than 10% during 1987-2001.
- The study also shows that rental starts remained subdued during 1987-2001. The only noticeable increase in rental starts was observed in 1992, which was an outcome of state-subsidised rental construction.