

Improving Rental Housing Stock

*Using D.C. Exemptions for Non-Luxury Purpose-Built
Rental Developments*

Prepared by Tibro Group

City of Hamilton Audit, Finance and Administration Committee

April 18, 2019



About TIBRO

- Developers of purpose-built rentals in Hamilton
- Focused on markets outside of the downtown core, where rental supply is low
- Currently 2 projects in the works, with more on the horizon
 - 1160 Main St E – 75 one bedrooms apartments
 - 276 Dunsmure Rd – 65 two & three bedroom stacked townhomes





CONVENIENCE COFFEE DONUTS

Hamilton Rents Are Soaring!

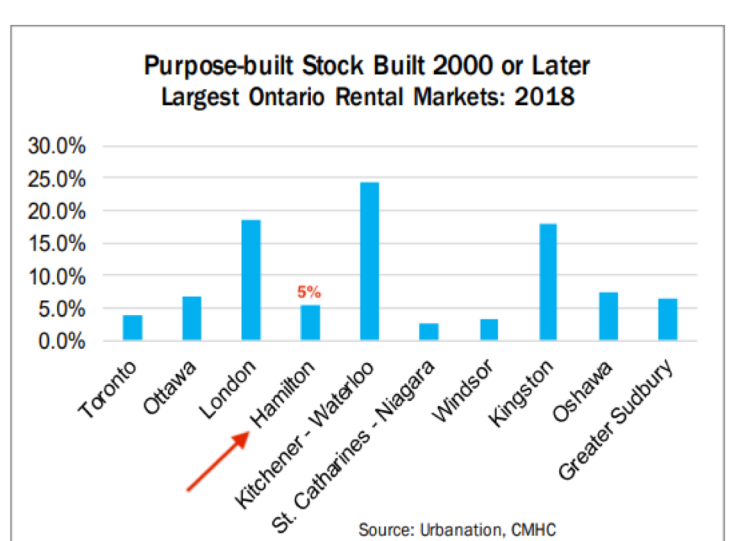
Pos.	+/-	City	1 Bedroom			2 Bedrooms		
			Price	M/M %	Y/Y %	Price	M/M %	Y/Y %
1	0	Toronto	\$2,260	-0.4%	14.7%	\$2,850	0.0%	14.0%
2	0	Vancouver	\$2,100	1.0%	5.0%	\$3,260	-0.6%	3.5%
3	0	Burnaby	\$1,570	0.0%	10.6%	\$2,240	-0.4%	9.8%
4	0	Montreal	\$1,500	0.0%	15.4%	\$1,780	0.0%	12.7%
5	0	Victoria	\$1,390	0.0%	13.0%	\$1,730	3.6%	15.3%
6	1	Barrie	\$1,360	2.3%	7.1%	\$1,450	-1.4%	-5.2%
7	-1	Kelowna	\$1,320	-1.5%	14.8%	\$1,600	0.0%	-2.4%
8	0	Ottawa	\$1,250	0.0%	13.6%	\$1,550	0.0%	14.0%
9	1	Hamilton	\$1,200	3.4%	15.4%	\$1,470	-1.3%	14.0%
9	2	Kitchener	\$1,200	4.3%	14.3%	\$1,480	2.8%	14.7%
9	0	Oshawa	\$1,200	0.0%	11.1%	\$1,390	0.0%	12.1%
12	-1	St Catharines	\$1,150	0.0%	4.5%	\$1,350	0.0%	3.8%
13	0	Calgary	\$1,100	-2.7%	1.9%	\$1,320	-2.9%	0.0%
14	1	Kingston	\$1,060	0.0%	3.9%	\$1,400	0.0%	2.9%
14	0	London	\$1,060	-0.9%	15.2%	\$1,210	0.0%	5.2%
16	0	Halifax	\$990	0.0%	10.0%	\$1,270	0.0%	8.5%
17	0	Winnipeg	\$980	0.0%	8.9%	\$1,260	0.8%	7.7%
18	0	Abbotsford	\$950	0.0%	9.2%	\$1,080	-1.8%	11.3%
19	-1	Edmonton	\$910	-4.2%	1.1%	\$1,200	-3.2%	1.7%

- Hamilton median rent rate increases among highest in Canada

¹Per PadMapper March 2019 Canadian Rent Report



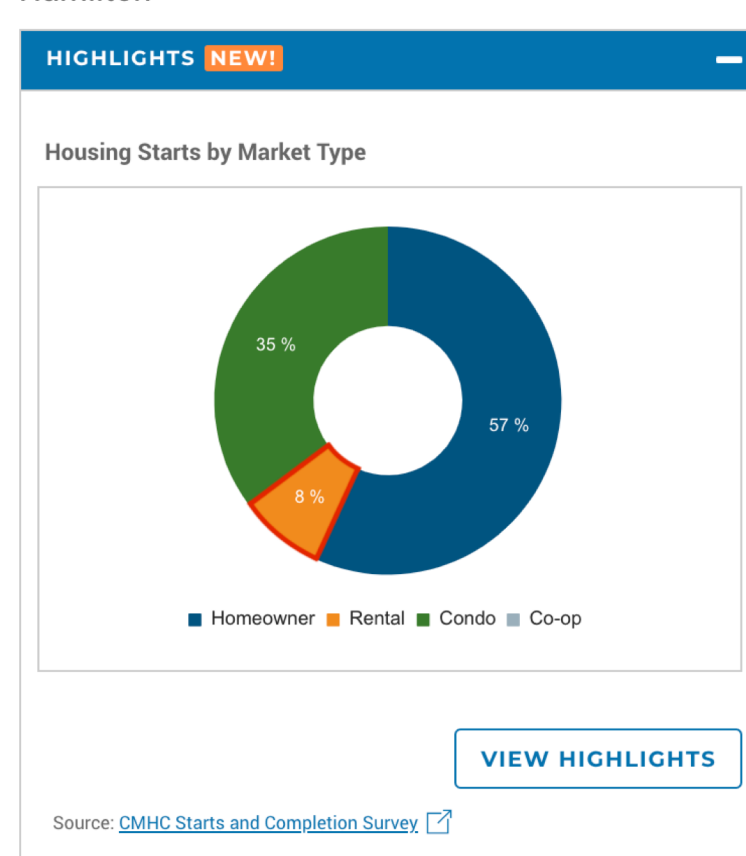
Hamilton Rental Housing Starts Are Struggling...



- No apartment starts outside of Downtown CIPA D.C. exemption areas in the past year, per CMHC²

¹Per Urbanation 2018 Ontario Rental Market Update

Hamilton



²Per CMHC Starts and Completions Surveys 2018/2019



What's Limiting Rental Supply

- Construction costs up 15%+ compared to last year
- DCs typically 10% of total project costs
- Condo developers tend to make much larger returns
- Downtown CIPA D.C. Exemptions only benefiting wealthy renters & buyers

“Projects that are located in slightly weaker market areas are not “near-viable” without the City’s financial tools.” – *City of Hamilton Development Charge Exemptions Review Executive Summary*



How The City Can Increase Rental Supply

- Replace Downtown CIPA D.C. Exemptions with D.C. Exemptions for non-luxury purpose-built rental developments
- Create contractual obligations with developers to keep units as rentals
- Give interest free loans on Development Charges
- Create long-term loan programs to support rental development
- Grant Parkland Dedication exemptions/reductions for rental developments



Benefits to The City of Hamilton

- Encourages much needed rental supply in non-downtown areas
- Creates more rental affordability by increasing rental supply
- Gets units to occupancy quickly – non-downtown zones push for mid/low-rise developments
- Keeps units as rentals long-term
- Creates more income for the City – apartment units pay more in property taxes than condos
- Promotes rental development inside and outside of the core



Thank You

