Peel Housing & Growth Monitoring Report

2024
Overview and Progress

Peel Region

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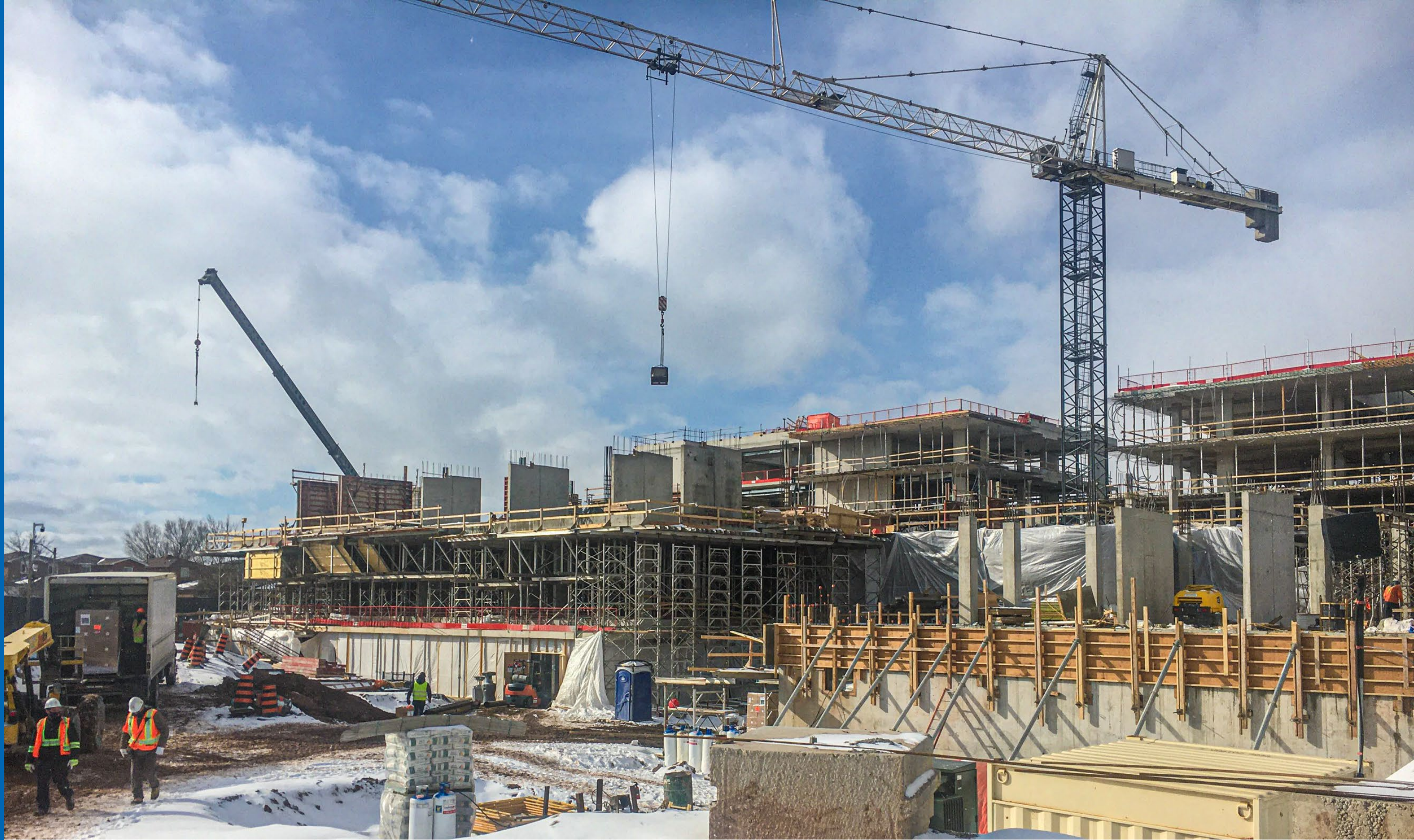


The Peel Housing and Growth Monitoring Report provides an overview of development, housing, population and economic trends in Peel Region. The data is used by internal and external stakeholders to support their decision making and to inform recommendations to Regional Council on the provision of programs, services and infrastructure investments. The data is also valuable to assess housing needs and supply. This supports Peel's commitment to deliver services efficiently and effectively. The data used is sourced from Canadian Mortgage and Housing Corporation (CMHC), Toronto Regional Real Estate Board (TRREB), Statistics Canada, Altus Group, Cushman and Wakefield, Peel Data Centre and Peel's Economic Pulse Report.

Executive Summary

Key highlights for 2024 include:

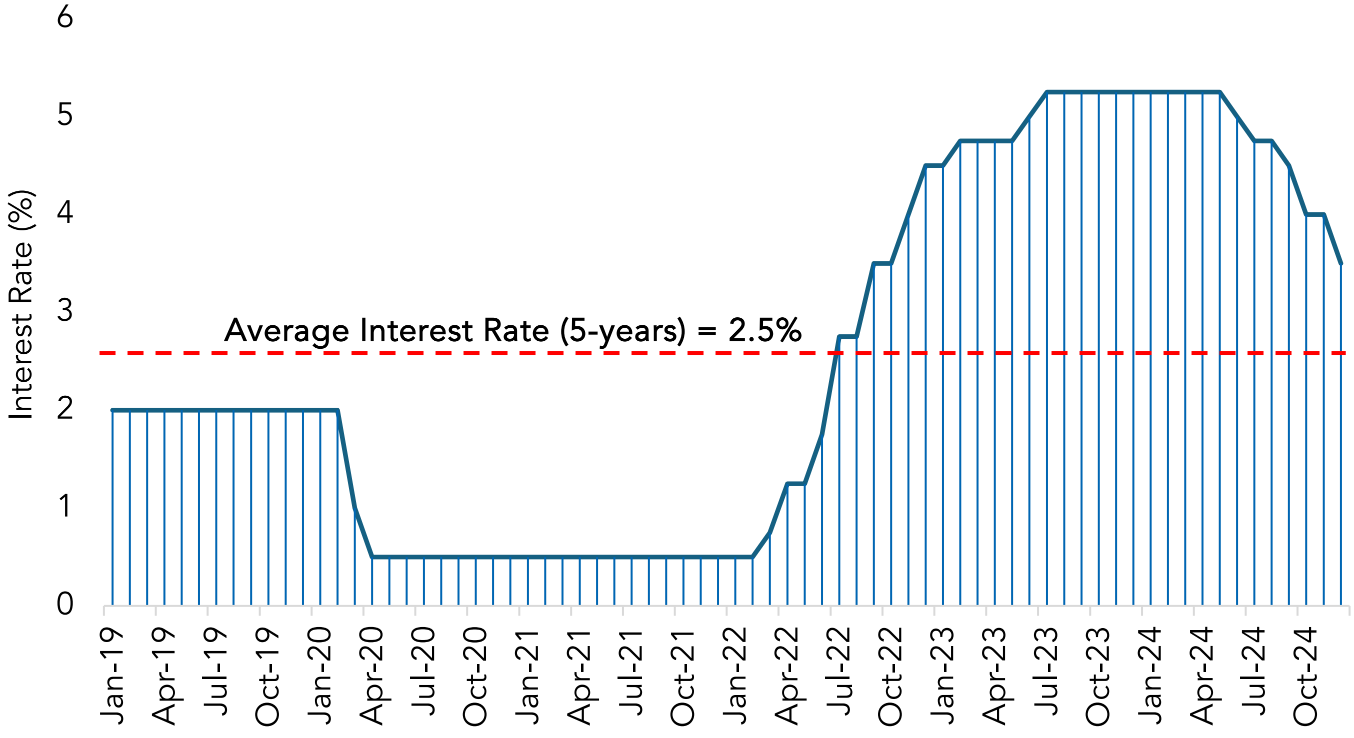
- Population growth remained above national and provincial averages driven by immigration.
- Provincial housing growth targets continue to lag because of declining housing completions and starts and market forces. Additional Residential units (ARUs) remain a key contributor to housing growth.
- The resale housing market experienced a slight increase, but new home sales declined significantly. While home prices continued to decline, ownership units remained unaffordable to most Peel households, especially considering the lack of income growth. This helped maintain a strong demand for rental units (both rental condos and purpose-built) despite rising rents.
- Non-residential growth experienced a slow down.

Peel's role in delivering essential services and infrastructure will remain a key factor in building more homes and supporting the economy. Regional Council's recent efforts aim to respond to the rapidly growing population, continued housing affordability challenges and incentivize growth and development in Peel.

Economic activity remained constrained due to global uncertainties and the residual effects of high inflation and interest rates that began rising in 2022

Inflation in Canada slowed to 2.4 per cent in 2024, and interest rates began to steadily decrease, with the Bank of Canada's overnight rate holding at 5 per cent at the start of the year (the highest level in over two decades) before declining to 3.25 per cent by year-end. While mortgage rates moderated alongside the policy rate, they remained above the previous 5-year average. As a result, borrowing costs continued to constrain affordability and reduced overall housing demand.

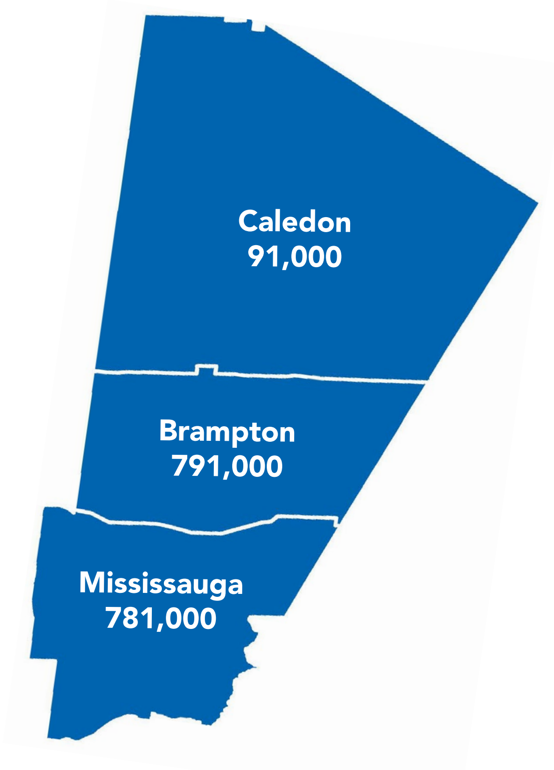
Bank of Canada Interest Rates (2019 - 2024)



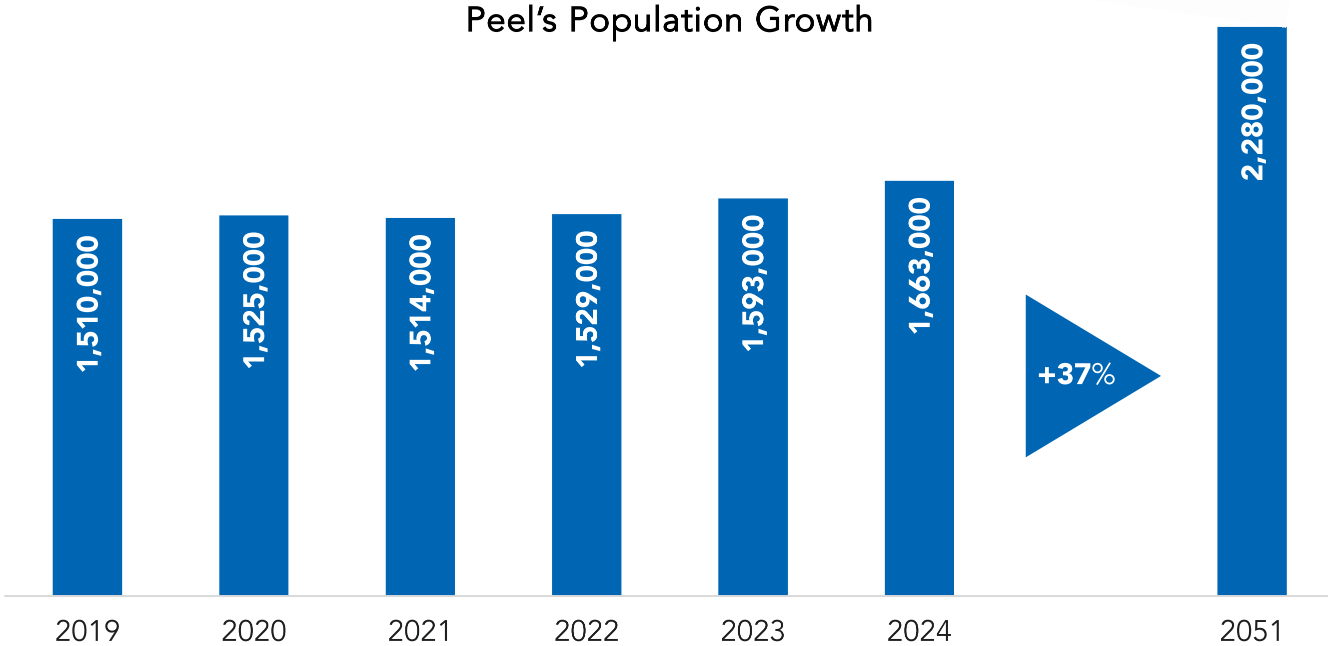
Source: Bank of Canada, Policy Interest Rate.

Peel's population growth outpaces national and provincial average

Peel Region is the second largest municipality in Ontario, with approximately 1,663,000 residents in 2024. Peel is forecasted to have approximately 2,280,000 residents by 2051, a 37 per cent increase from 2024. Canada's population grew by an estimated 3 per cent between July 2023 and July 2024. During the same period, Ontario's population grew by 3.2 per cent, while Peel's population rose by approximately 4.4 per cent or about 70,000 people, up from 4.2 per cent the previous year.



Peel's Population Growth

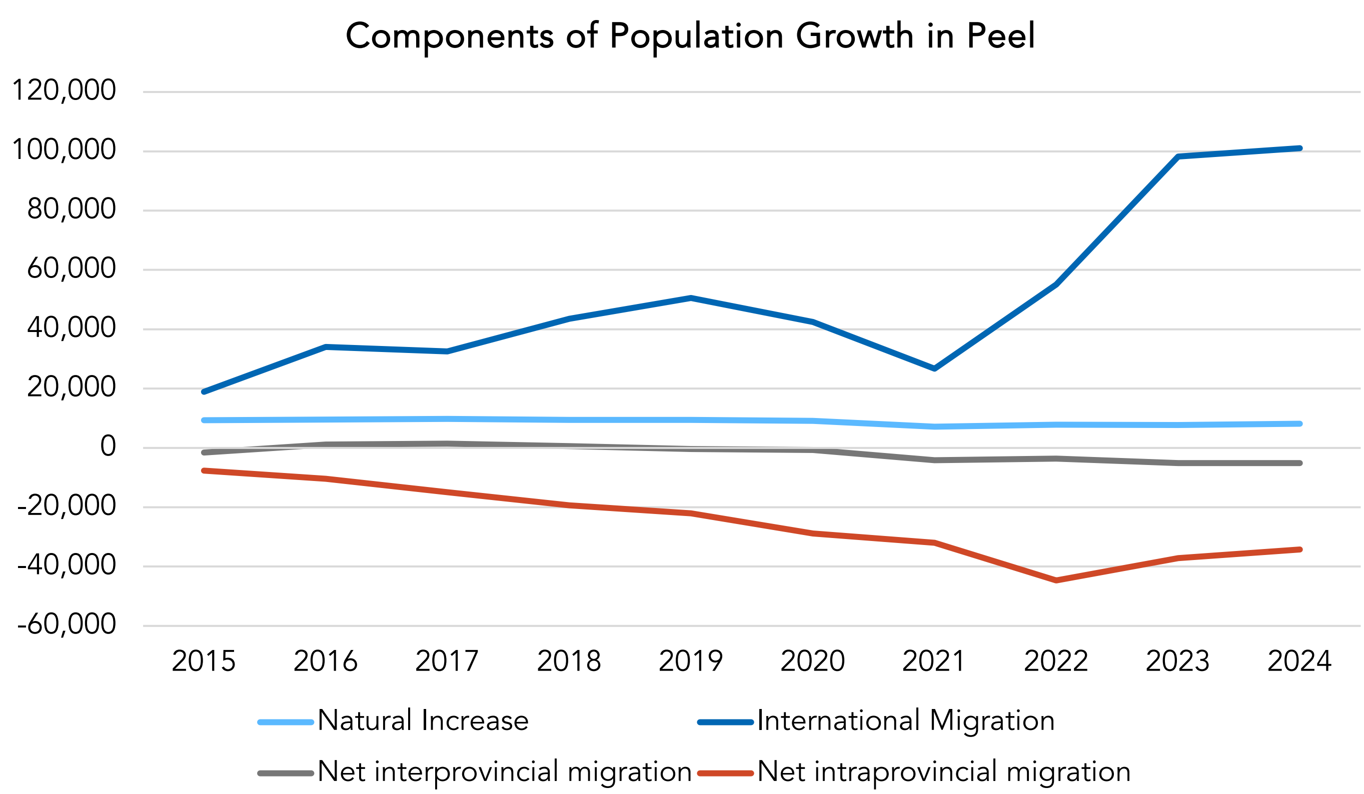


Source: Statistics Canada. Table 17-10-0155-01 Population estimates, July 1, by census subdivision, 2021 boundaries & Region of Peel Scenario 1 Forecast.

Peel's population growth has been primarily driven by immigration, despite experiencing a moderate outflow of residents

International migration (immigration plus non-permanent residents minus emigration) was approximately 101,000 people, the highest recorded to date. Natural increases (births and deaths) accounted for about 8,200 people. However, despite this growth, Peel recorded the second-highest net outflow of residents among all Ontario municipalities with intra- and inter-provincial migration totalling about 39,000 residents. Over the last several years, international migration has been a key factor in population growth in Peel. However, with recent federal measures aimed at capping international immigration, it is anticipated that Peel's population could experience slower growth in the coming years.

Intra-provincial migration refers to the movement of people within the same province or territory to a different geographic area, whereas **inter-provincial migration** refers to the movement of people between different provinces or territories within the country.



Source: Statistics Canada. Table 17-10-0153-01 Components of population change by census division, 2021 boundaries.

Regional Growth Forecasts Update 2024

On December 12, 2024, Regional Council endorsed two growth scenarios to be used as forecasts for Regional infrastructure and financial planning. These updated forecasts were developed in response to the passing of Bill 23 housing targets, and are necessary for master plans, and addressing related development pressures. The updated endorsed forecasts include:

- **Adjusted Base Growth Scenario (Scenario 1):** Scenario 1 establishes the expected base growth through short-term adjustments to the Regional Official Plan 2051 forecasts to reflect current development activities and pressures as identified by local municipalities and 2021 Census data.
- **High Growth Scenario (Scenario 2):** Builds upon Scenario 1 to reflect the Bill 23 housing targets supported by local municipal housing pledges, and other local municipal growth objectives. This scenario establishes the upper limits of growth to understand the timing, ultimate infrastructure requirements, and costs, should the pace of growth proceed in line with the provincial housing targets and increased growth total to 2051.

For the purposes of this report, both Scenarios 1 and 2 were used as points of comparison when measuring the progress of housing completions.

Provincial Monitoring Methodology

The Province is measuring municipal progress towards achieving housing targets over the 2023 to 2031 period through annual monitoring. The monitoring methodology comprises of:

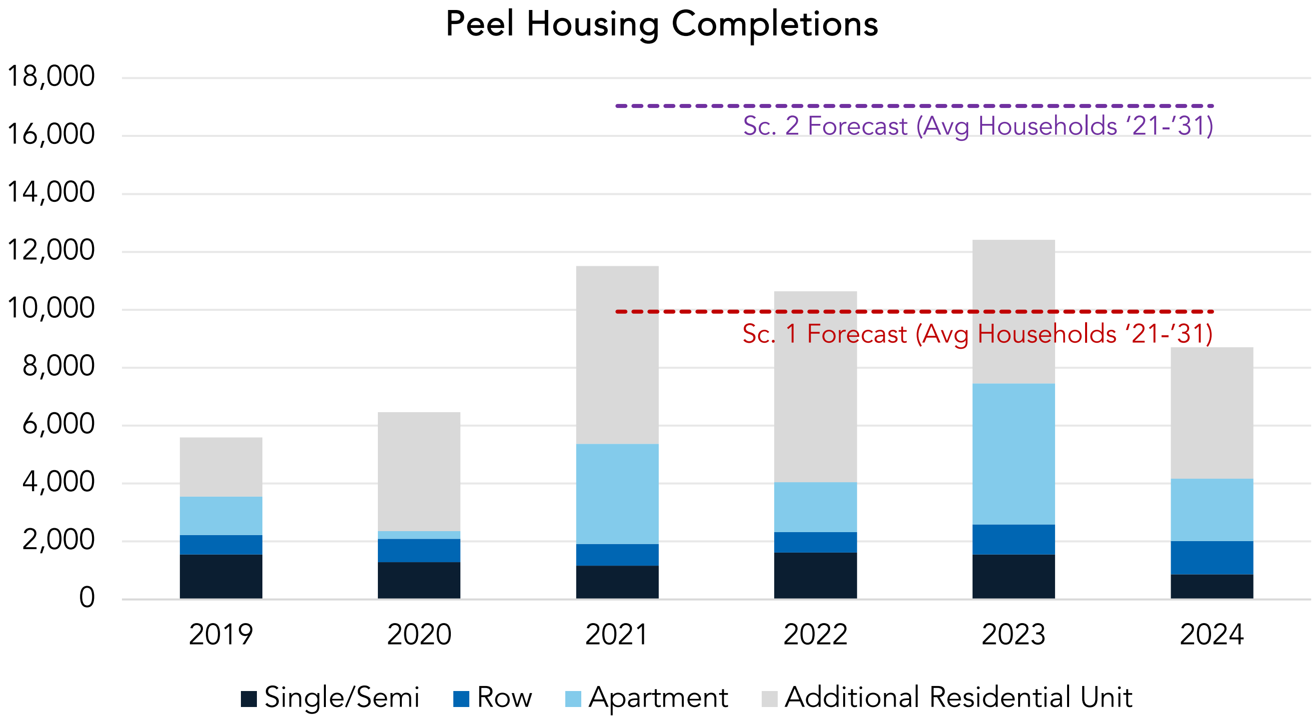
- new home construction starts (housing starts);
- additional residential units (ARUs), and;
- new and upgraded beds in long-term care (LTC) homes.

This report applies the same methodology to understand Peel's residential development performance relative to the Province's targets. Market trends are also provided to offer context on the broader economic and housing environment which inform development activity.

Housing completions declined from 2023, falling short of growth targets; a sustained increase in housing completions is required to achieve housing targets

In 2024, Peel recorded 8,708 housing completions, including ARUs, marking a 30 per cent decline from 2023 and falling 7 per cent below the previous five-year annual average. These completions achieved 85 per cent of the annual forecasted growth under Scenario 1 but only met 51 per cent of the annual target in Scenario 2. Achieving Scenario 2 continues to remain a challenge as approximately double the existing completions would be needed to meet the forecasted number of units to 2031.

On average, without the inclusion of ARUs, Peel has seen approximately 5,000 units completed annually since 2021, with the majority being apartment units. The average over the same period increases to about 10,000 when ARUs are included.



Unit Type	2019	2020	2021	2022	2023	2024
Single/Semi	1,549	1,288	1,169	1,614	1,550	871
Row	677	808	752	712	1,042	1,143
Apartment	1,328	258	3,454	1,726	4,863	2,157
Total	**3,554**	**2,354**	**5,375**	**4,052**	**7,455**	**4,171**
ARUs	2,037	4,107	6,133	6,590	4,957	4,537
Total with ARUs	**5,591**	**6,461**	**11,508**	**10,642**	**12,412**	**8,708**

Sources: CMHC Starts & Completions Survey; CMHC Demolitions & Conversions data; Region of Peel Scenario 1 & 2 Forecasts.

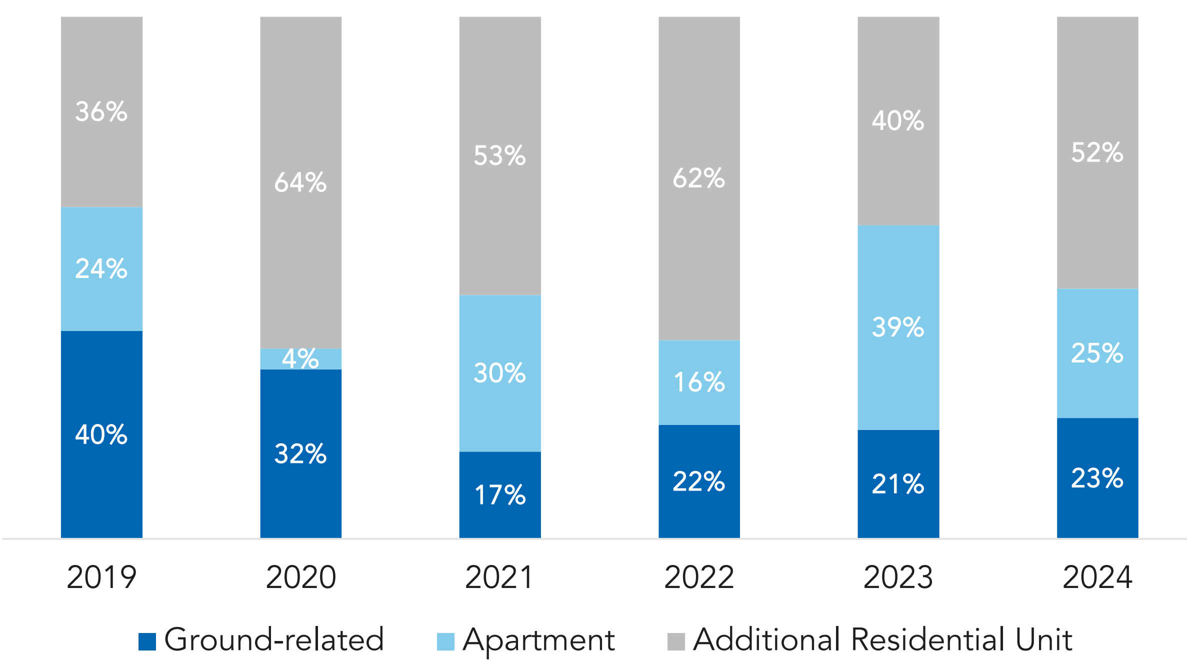
A **housing completion** is when all proposed construction work on a dwelling is finished, or 90 per cent of the work is complete.

Additional Residential Units (ARUs) remain a key contributor to housing completions

ARUs remain a key contributor to housing completions through gentle intensification but, from a municipal finance perspective, pose challenges as they generally do not contribute to Development Charges (DC) revenue. Most of these completions were recorded in Brampton, where various local municipal initiatives may be contributing to the sustained number of ARUs. In 2024, ARUs accounted for 52 per cent of housing completions in Peel.

Canada Mortgage and Housing Corporation (CMHC) data indicates that an increasing number of ARUs are being completed in Peel. However, there is not enough data available to determine if these completions are from net new units (i.e. if these are existing units being registered or new units not previously built).

Composition of Completed Units in Peel



Sources: CMHC Starts & Completions Survey; CMHC Demolitions & Conversions data.

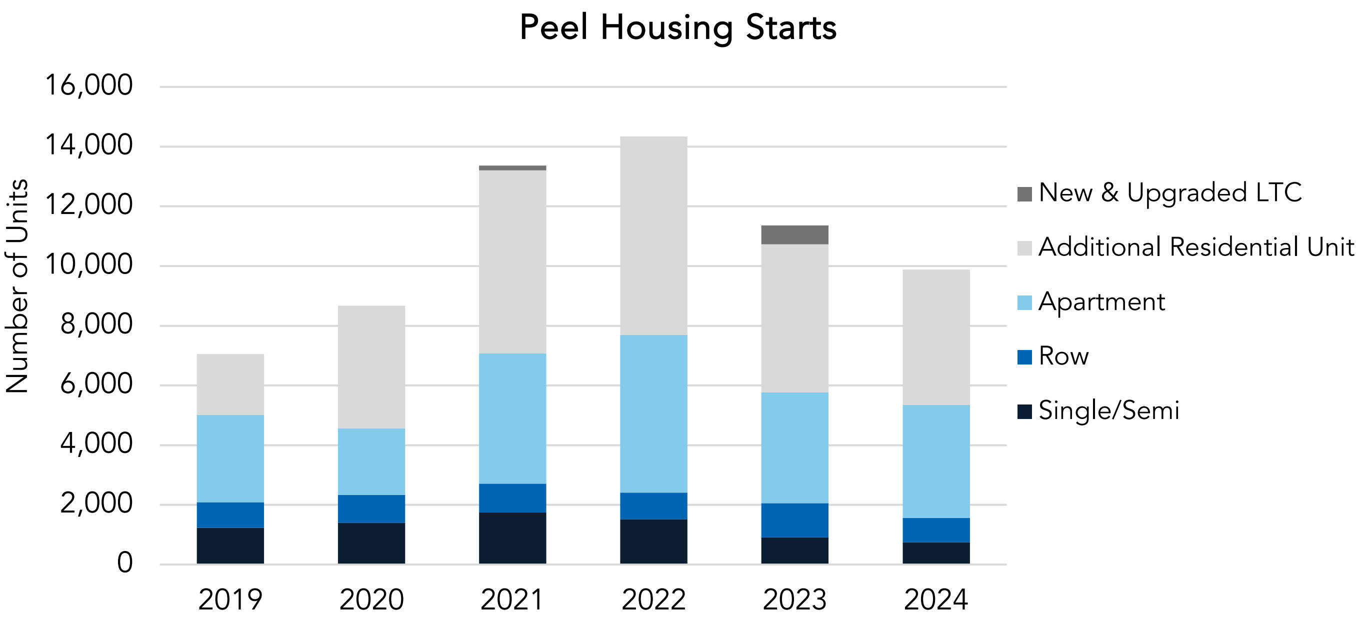
Ground-related housing includes single-detached, semi-detached and townhouses (rowhouse).

Housing starts fell from 2023 despite stable apartment activity, with a decline in single- and semi-detached homes and ARUs

Peel recorded 9,885 housing starts in 2024, a 13 per cent decrease from 2023, and met 48 per cent of the Province's 2024 assigned housing pledge target of 20,500 housing starts. As anticipated, apartments remain the primary driver of new development, with ground-related housing lagging behind. However, with new designated greenfield areas in Caledon and Brampton coming online in the future, ground-related units may see an uptick in the coming years.

A **housing start** refers to the beginning of construction on a building, typically marked by pouring concrete for the entire footing or reaching a similar stage if there is no basement.

While apartment starts slightly increased (2 per cent increase from 2023 to 2024), the CMHC forecasts an overall decline in housing starts across the Greater Toronto Area (GTA) in 2025, driven by reduced apartment starts due to elevated development costs and reduced market demand. Construction costs continued to rise in 2024, though at a slower pace than in previous years. The Residential Construction Price Index, which tracks construction costs, increased by 4.3 per cent in 2024, down from an increase of 12.7 per cent in 2023 and 25.1 per cent in 2022.



	2019	2020	2021	2022	2023	2024
Single/Semi	1,233	1,405	1,746	1,518	907	752
Row	856	930	963	894	1,154	813
Apartment	2,922	2,233	4,368	5,285	3,702	3,783
ARUs	2,037	4,107	6,133	6,640	4,969	4,537
New & Upgraded Long Term Care Beds	0	0	160	0	632	0
Total	**7,048**	**8,675**	**13,370**	**14,337**	**11,364**	**9,885**

Sources: CMHC Starts & Completions Survey; CMHC Conversions and Demolitions Statistics; LTC Bed Data from Ministry of Long-Term Care.

Despite a decline in housing starts and completions, the number of units under application increased in 2024

Peel continues to track development application activity to inform the provision of Regional infrastructure and services. The development application data provides an estimated point-in-time snapshot and is subject to change based on market conditions, demand, and evolving housing and economic policies. Data from development applications are under review, with evolving approval, permitting, construction and completion timelines. Ultimately, once all approvals are secured, the decision obtain a permit and begin construction rests with developers, based on their individual circumstances and prevailing market conditions.

The application process milestones include:

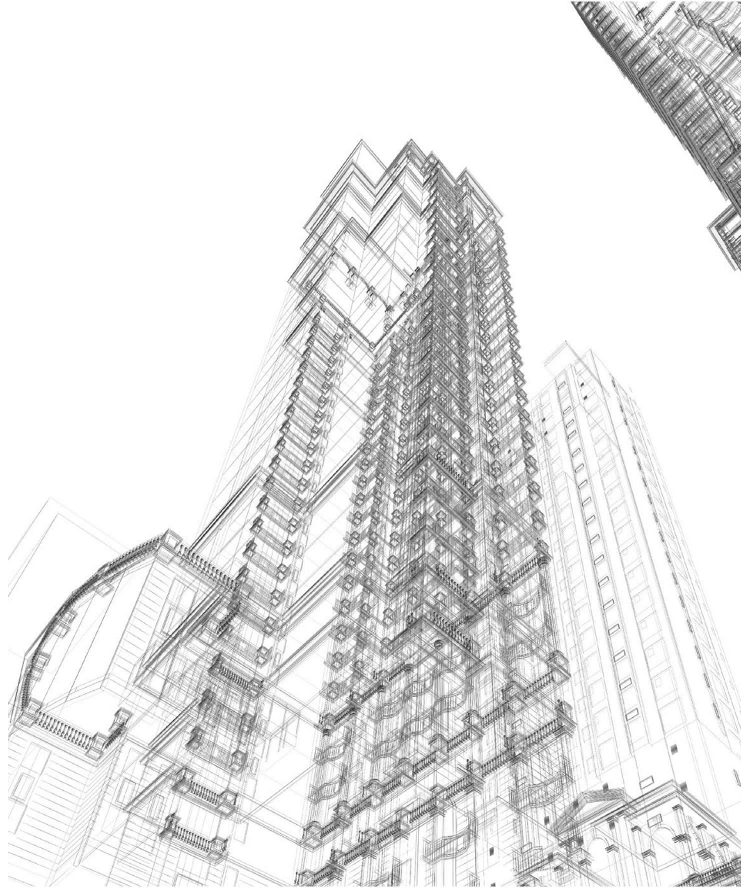
- **Registered Unbuilt:** Units within registered plans of subdivision, where building permits have not been issued.
- **Draft Approved:** Units within draft-approved subdivisions and site plans that have been approved.
- **Under Application/ Proposed:** Units within proposed plans of subdivision and site plan applications currently under review, excluding units at the pre-consultation stage.

	Single-detached	Semi-detached	Townhouse	Apartments	All Unit Types
Registered Unbuilt	205	8	636	10,394	11,243
Draft Approved	2,953	516	3,635	7,864	14,968
Under Application/ proposed	3,958	322	5,947	55,949	66,176
Total	**7,116**	**846**	**10,218**	**74,207**	**92,387**

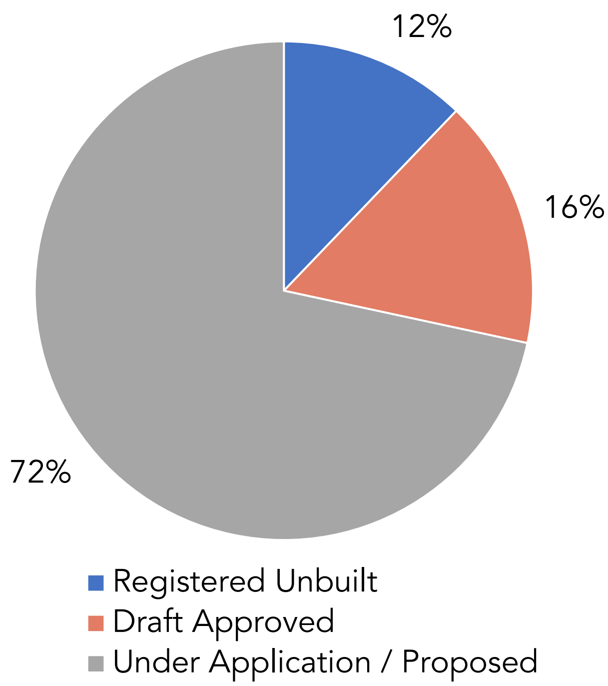
Source: Region of Peel Development Tracker.

In 2024, Peel reported an estimated 92,387 units in the application process, representing a 9 per cent increase over 2023. Of total units, about 72 per cent have yet to be approved, with approximately 80 per cent of these being apartment units. As a result, demand for new apartments over the coming years remains a factor in whether Peel will meet housing and growth targets.

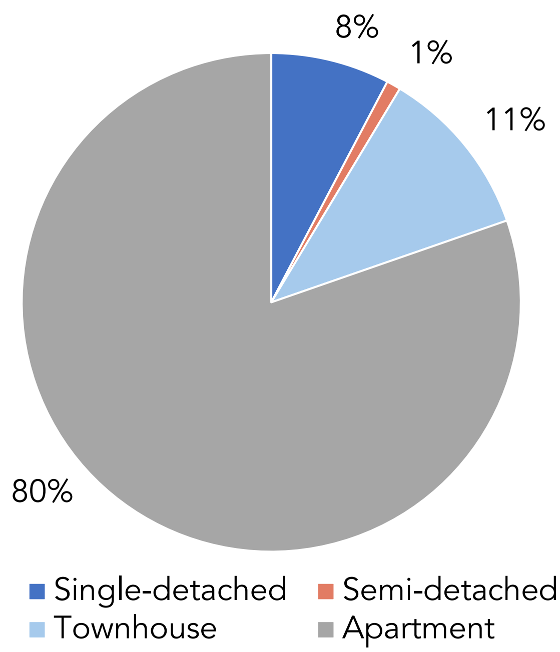
Approximately 28 per cent of units in the application process, representing about 26,211 units, are tied to registered plans of subdivision or approved site plans, but have yet to receive building permits. If market conditions and demand improve, these developments, being at the later stages of the planning process, could quickly transition to housing starts.



Development Application Status (2024)



Development Application Unit Composition (2024)

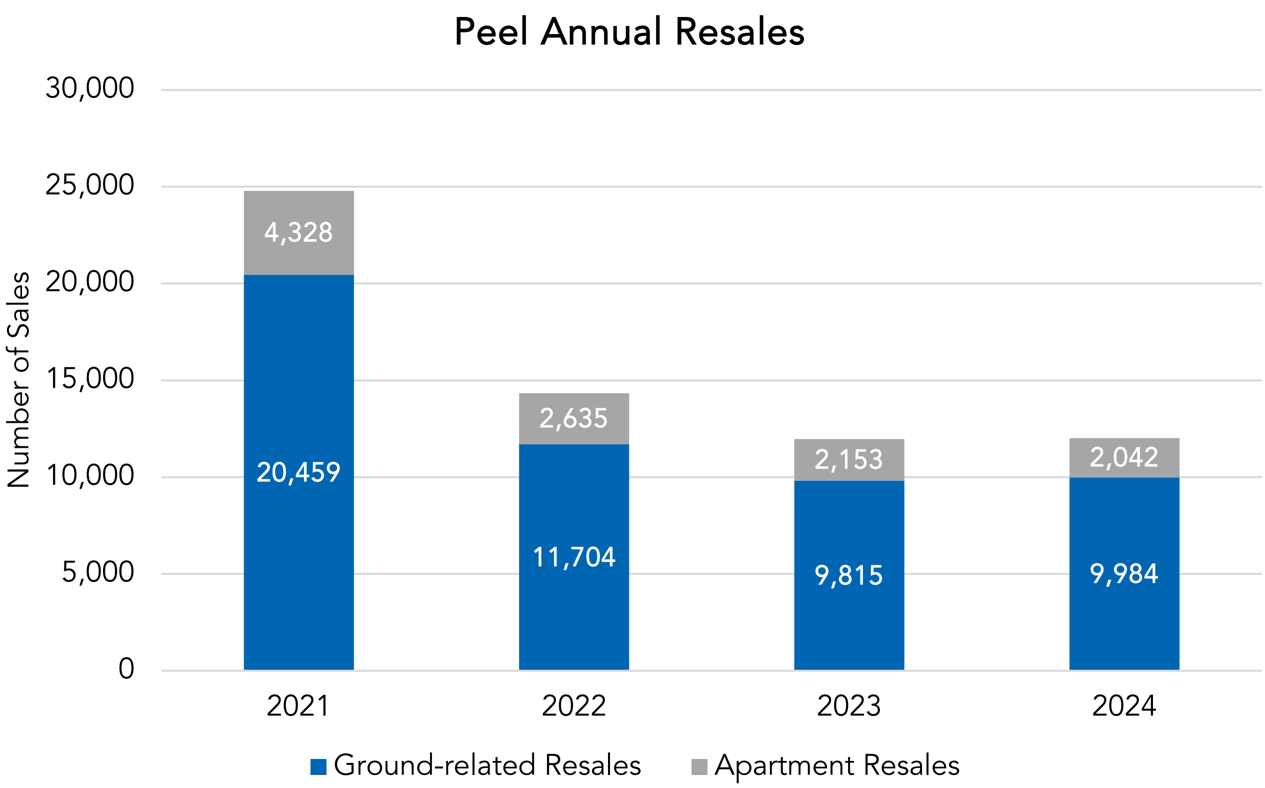


9% increase in units in the application process from 2023

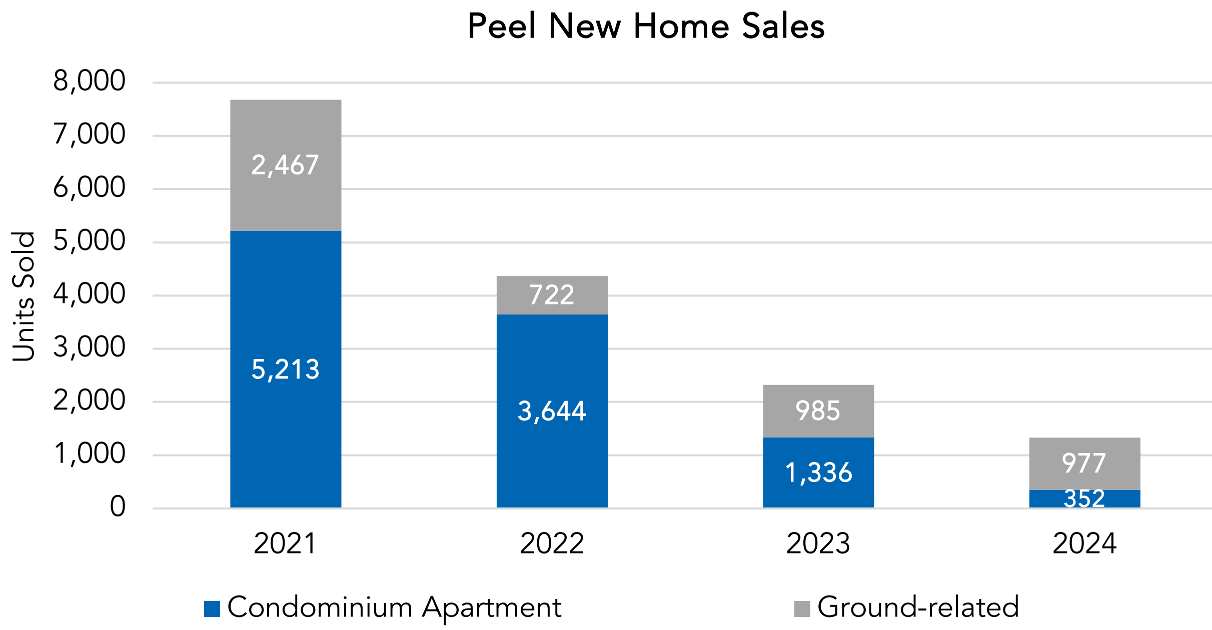
80% of units under application are apartment units

Home resales saw a slight increase in Peel, while new home sales saw a considerable drop

Peel's home resales increased by 0.5 per cent from 2023, based on monthly data recorded by TRREB. There were 12,026 home resales, of which 83 per cent were ground-related (single- and semi-detached and townhouses), while 17 per cent were apartment units.

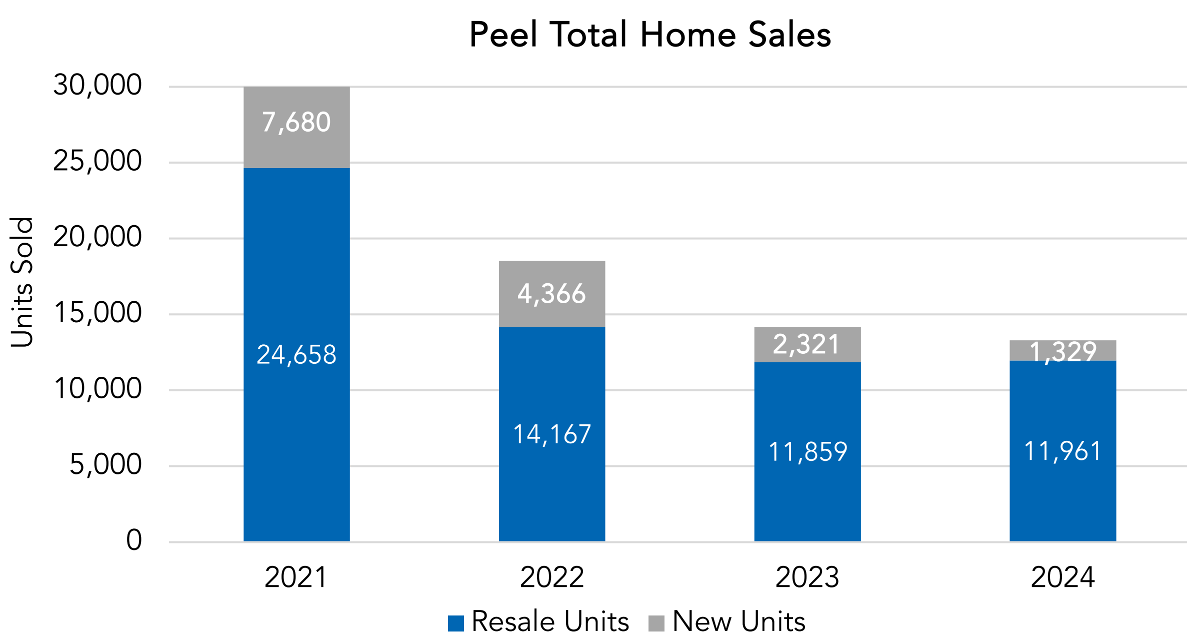


Source: Toronto Regional Real Estate Board, Market Watch Report.



Source: Altus Data Solutions Media Backgrounder, December 2024.

Total new home sales in Peel declined by 43 per cent year over year, continuing a steady decrease since 2021, suggesting an unfavourable market for new homes. New condominium apartment sales saw a significant decline of 74 per cent from 2023, with only 352 new apartments units sold. Given this, the market demand for new apartment inventory suggests that many projects in the application process may face slower absorption and potential delays unless market conditions and demand improve.

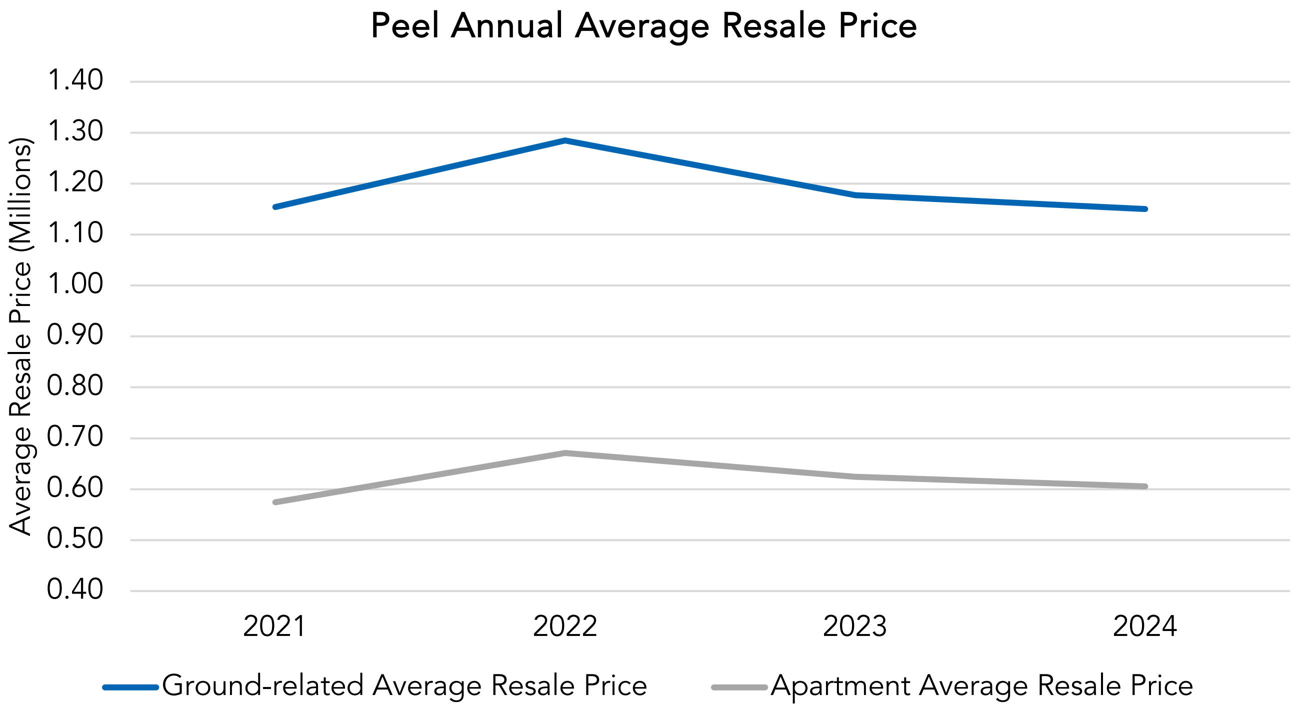


Sources: Altus Data Solutions Media Backgrounder, December 2024 & Toronto Regional Real Estate Board, Market Watch Report.

The CMHC predicts that GTA housing sales will increase in 2025 following three years of low sales volume coupled with lower prices, and new insured mortgage rules. However, this demand will likely be led by end users rather than investors as interest rates may not decrease enough to make rental units cash flow positive. With fewer investors and affordability constraints related to elevated interest rates, sales are anticipated to remain below the 10-year average, contributing to lower housing starts and completions.

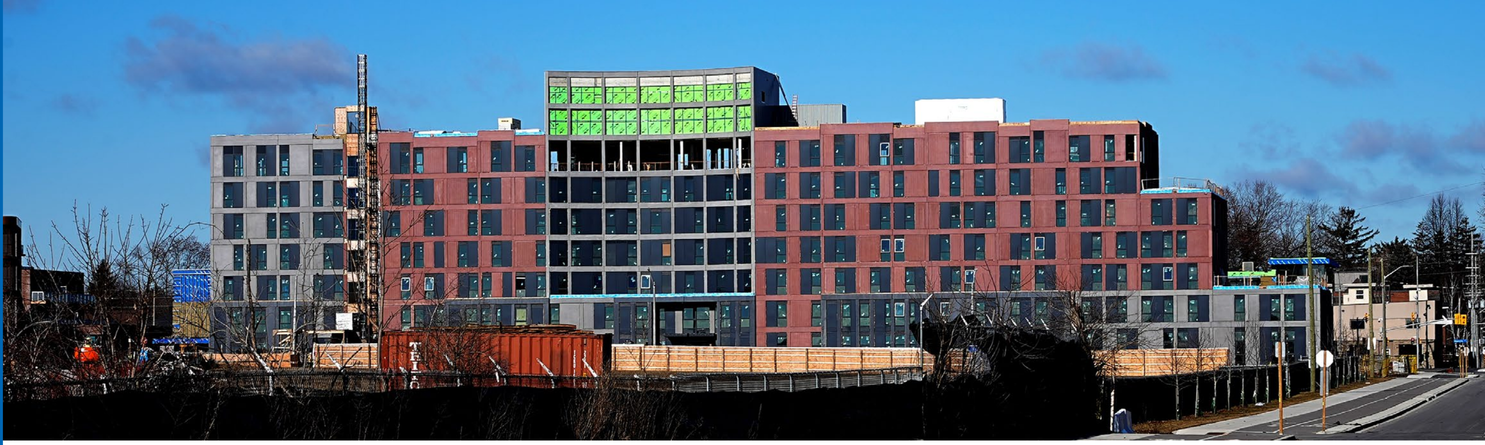
Average resale home prices decline for second year in a row

In 2024, the average resale price of all dwelling types in Peel was $1,057,670, down 1.9 per cent from 2023. Ground-related units (single-detached, semi-detached and townhouses) averaged a sale price of $1,150,115, representing a 2.3 per cent decrease from the previous year. The average sale price of an apartment unit declined by 3 per cent, reaching approximately $605,558.



Source: Toronto Regional Real Estate Board, Market Watch Report.

CMHC predicts ground-related homes will experience moderate price gains, driven by accumulated demand, whereas condo prices may continue to decline through 2027, with the possibility of accelerated price increases post-2027 due to limited new housing development across all property types.



Housing continues to be unaffordable to most households in Peel

Efforts to monitor housing data and trends in Peel advance the Peel Housing and Homelessness Plan (PHHP) and inform strategies to expand affordable mixed-type supply.

Affordability is defined in the Provincial Planning Statement (PPS), 2024 and thresholds are published in the Provincial Affordable Housing Bulletin and provided by the Ministry of Municipal Affairs and Housing. To measure affordability, price and rent thresholds are compared with household incomes. A decile-based method divides households into ten equal income groups:

- Low-income households: 10^{th} to 30^{th} income percentiles
- Moderate-income households: 40^{th} to 60^{th} income percentiles
- High-income households: 70^{th} to 90^{th} income percentiles or higher

The 60th income percentile is used to assess moderate-income households, meaning 60% of the population has an income below this threshold. In 2024, these households earned up to $147,900 annually.

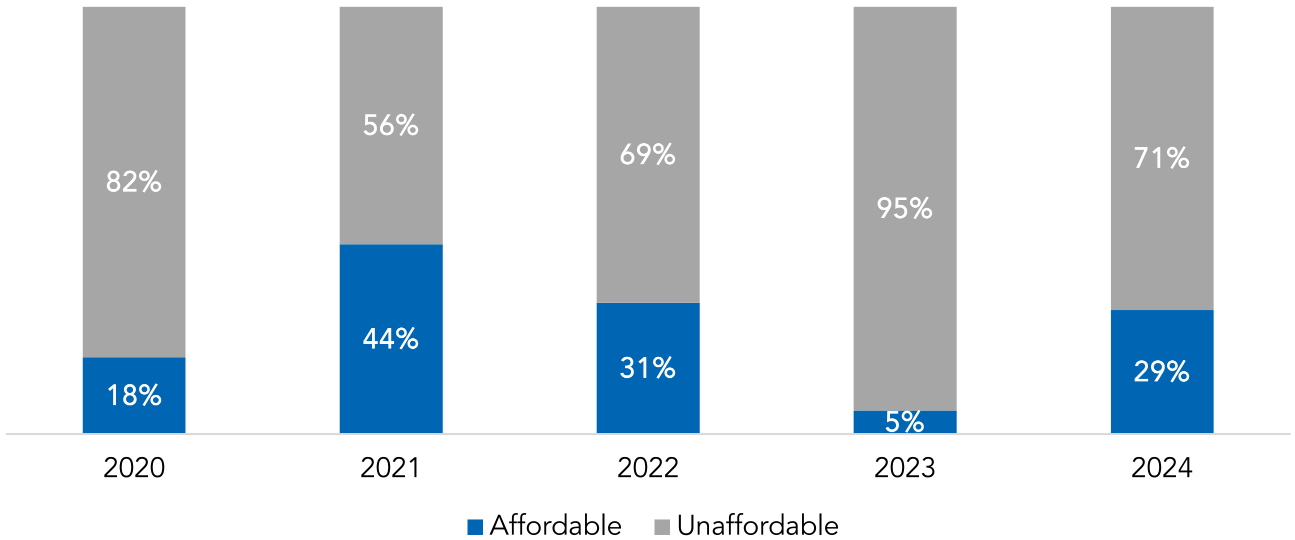
Year	Affordable Ownership Threshold (maximum purchase price for households at the 60th Percentile)	Affordable Rental Threshold ($/month) (maximum rent for households at the 60th Percentile)
2024	$462,100	$1,872

Source: Ministry of Municipal Affairs and Housing Affordable Housing Bulletin.

For 2024, the affordable ownership threshold (the maximum purchase price for moderate-income households) was $462,100. Ownership at this price was affordable for households earning approximately $147,900 or more annually. Similarly, rental units priced at $1,872 per month were considered affordable for households earning approximately $98,600 or more annually under the same definition.

Affordability of new ownership units briefly improved in 2021, when 44 per cent of units met the threshold, but otherwise remained scarce, dropping to just 5 per cent in 2023 before increasing to 29 per cent in 2024. Over this time, the market stayed predominantly unaffordable, with at least 69 per cent of units being priced above affordable levels in four of the past five years.

Affordable vs. Unaffordable New Ownership Units

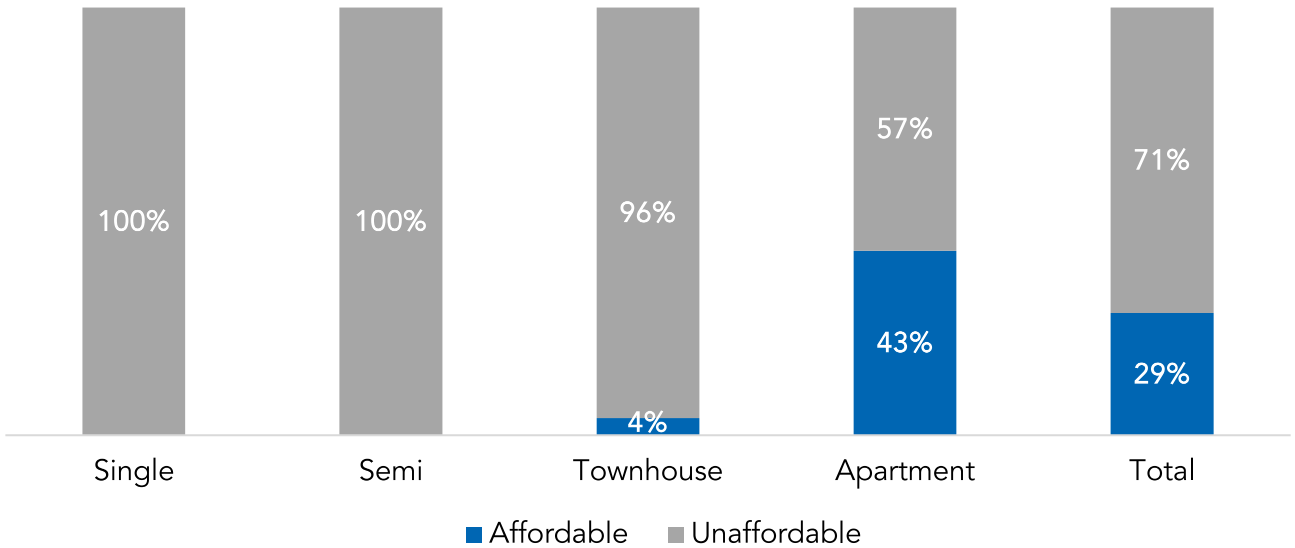


Source: Ministry of Municipal Affairs and Housing Affordable Housing Bulletin & Peel Measuring and Monitoring Program

Of total housing stock, both new and existing units owner-occupied homes continue to comprise most of Peel's housing market, accounting for 86 per cent of all units, with rental units comprising the remaining 14 per cent.

The majority of new ownership units in 2024 were unaffordable to Peel residents with earnings at the 60th income percentile, with only 29 per cent (1,298 units) considered affordable. Nearly all of these affordable units were higher-density dwellings, such as townhouses and apartments, with no single- or semi-detached units falling within the affordable range for moderate income households.

Affordable vs. Unaffordable New Ownership Units, by Type (2024)

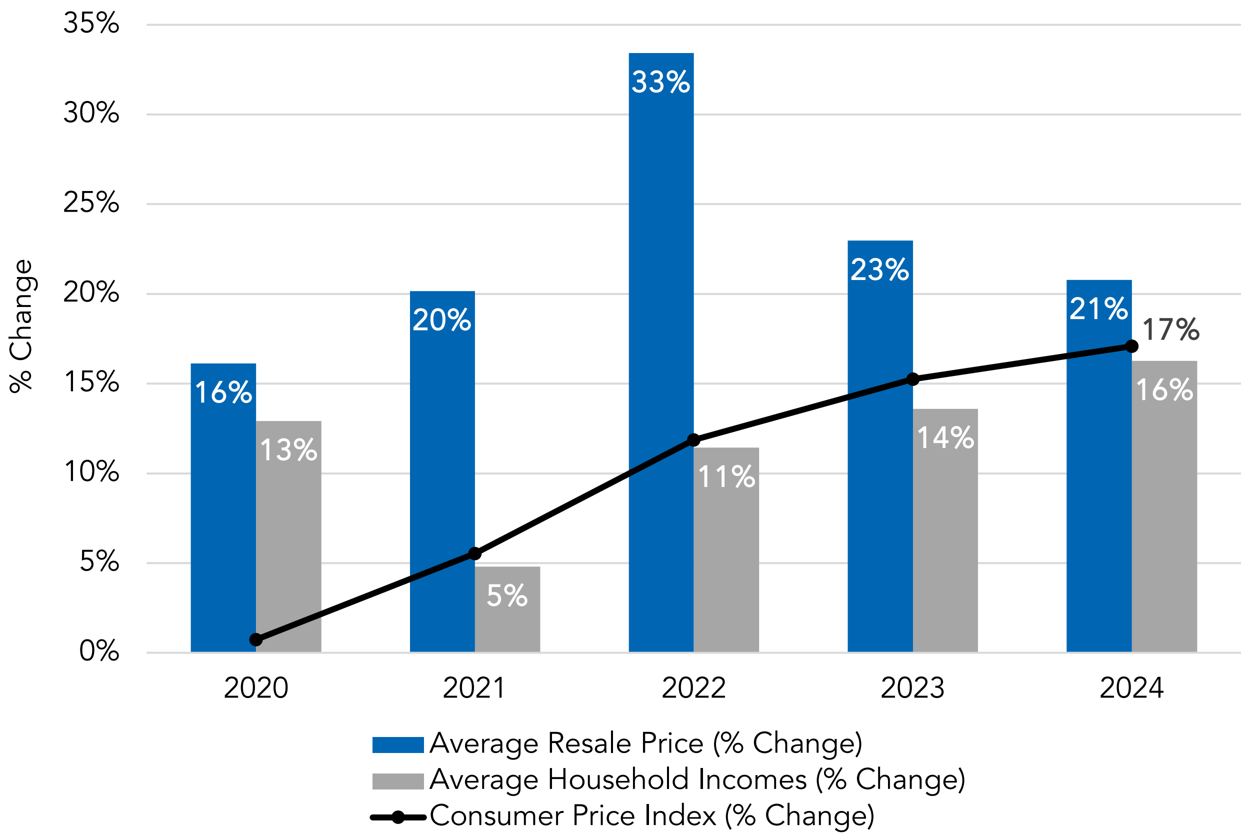


Source: Teranet. Note: This data includes units that were sold in previous years but closed in 2024.

Housing prices continue to rise much faster than incomes and inflation

Housing affordability was a significant challenge facing Peel due to housing prices rising at a rate faster than incomes. Over the past five years (2020-2024), housing affordability in Peel Region has worsened, with average resale prices surging by 21 per cent to $1,057,670 while incomes rose by 16 per cent. This growing affordability gap was compounded by rising inflation, which increased cumulatively by 17 per cent, outpacing the affordability thresholds for ownership and rental housing. This gap between the rise in prices and incomes and inflation is even more pronounced over the past ten years (2014-2024), with prices rising 118% over that period as compared to a 49% increase in household incomes and 28% cumulative inflation.

Cumulative Change in Home Prices, Incomes, and Inflation Since 2020



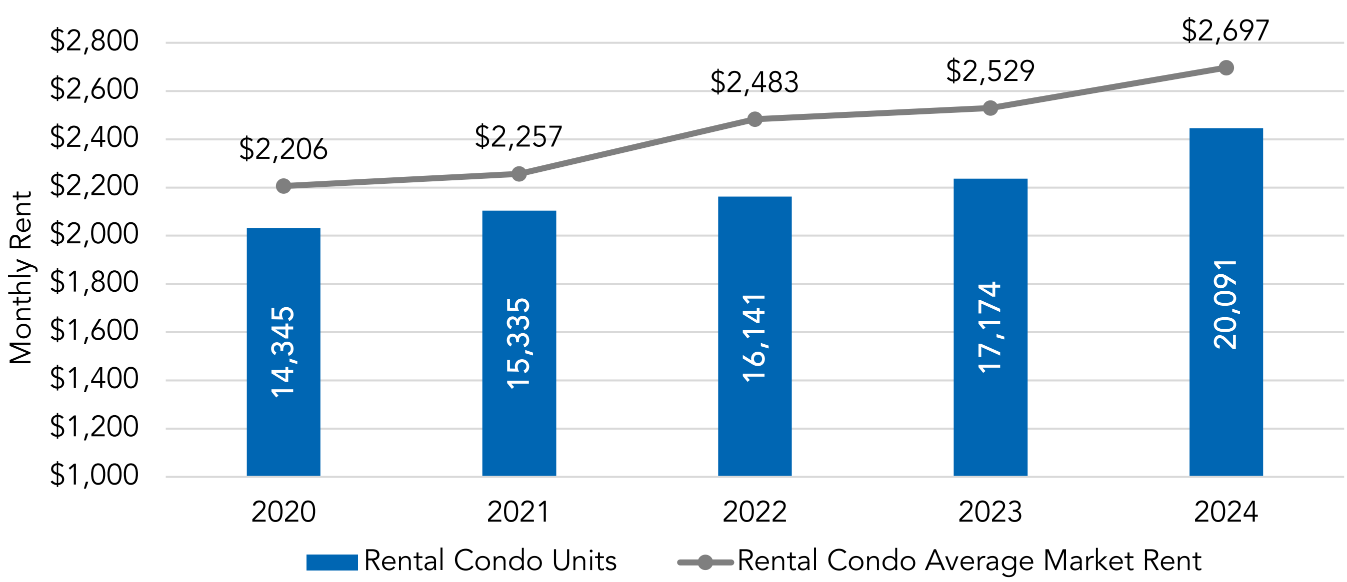
Sources: Statistics Canada Census 2011, 2016, & 2021; Toronto Regional Real Estate Board, Market Watch & Bank of Canada.

Strong demand for rental condominiums continued in 2024, characterized by low vacancy rates and rising rent prices despite a supply increase

In 2024, the average market rent for rental condominiums in Peel was $2,697, a 6 per cent increase from 2023. The total number of units on the market rose to approximately 20,091, reflecting a 15 per cent increase year over year. Despite this growth in supply, the overall vacancy rate declined slightly to 0.6 per cent, down 0.1 percentage points from 2023. The combination of rising rents and stable vacancy rates, even amid increased supply, points to strong demand for investor-owned condominiums in Peel.

According to the CMHC Housing Market Outlook, vacancy rates in the GTA are expected to rise in 2025 and 2026 with new supply outpacing demand, which could lead to a decline in rental prices.

Rental Condominium Average Market Rent & Number of Units



Source: CMHC Fall 2024 Rental Market Report.

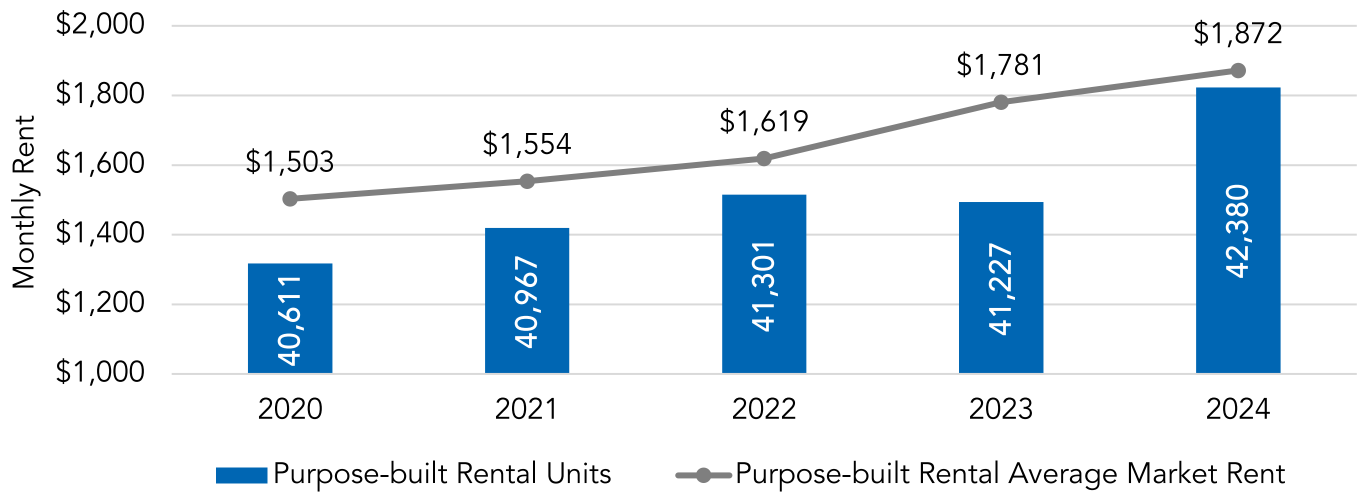
Rental condominiums represent self-contained units in condominium apartments that were not built specifically for rent.

Purpose-built rental supply and prices increase in 2024, alongside higher vacancy rates

In 2024, the average market rent for purpose-built rental housing in Peel (excluding subsidized and rental condominiums) was $1,872, marking a 5 per cent increase from 2023. The total market supply of purpose-built rentals also grew, reaching 42,380 units, up approximately 3 per cent from the previous year. The overall vacancy rate for all unit types in purpose-built rentals was 3.6 per cent, double the 2023 rate of 1.8 per cent.

According to CMHC, a 3 per cent vacancy rate is considered healthy, representing a balanced market between tenants and landlords.

Purpose-built Rental Average Market Rent & Number of Units



Source: CMHC Fall 2024 Rental Market Report.

Vacant rental units continue to be priced above occupied rental units due to lack of vacancy decontrol and rent control on newly constructed units, as rents can change for new tenants or higher rents can be charged for new units.

CMHC forecasts rising vacancy rates for 2025 and 2026, driven by new rental condominium and purpose-built rental completions and weakening demand. Rents are expected to stabilize, and vacancy rates are anticipated to increase.

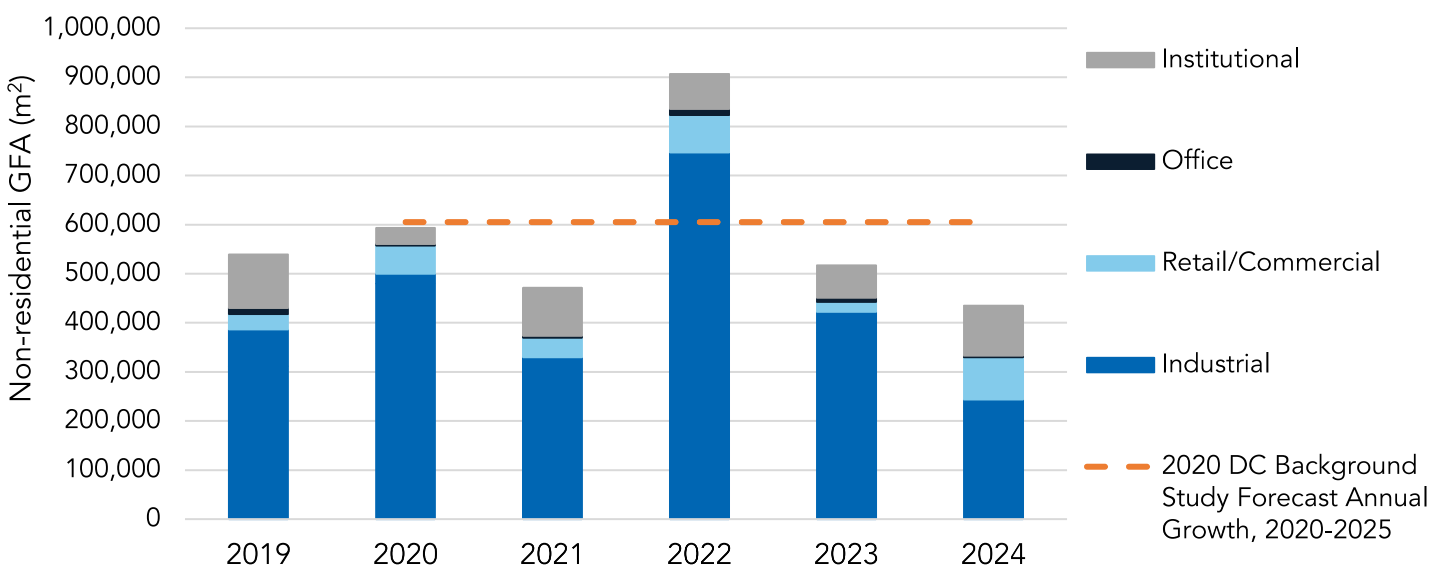
Purpose-built rentals include units in privately-initiated purpose-built rental structures of three units or more in apartments and townhouses.

Non-residential gross floor area declined from 2023 due to slow down in industrial growth

Peel tracks non-residential trends through issued building permit gross floor area (GFA) and uses the 2020 DC Background Study forecast to monitor performance relative to targets. In 2024, non-residential GFA in issued building permits totaled approximately 435,000m^2, a 16 per cent decline from 2023. Industrial development continues to be the strongest non-residential sector, followed by institutional and retail/commercial. Year-over-year, retail/commercial saw the largest per cent increase from 2023, increasing about 325 per cent.

The total non-residential GFA in 2024 represents 72 per cent of the annual forecasted non-residential GFA growth in the 2020 DC Background Study forecast. Industrial GFA growth (new and industrial expansion) was 60 per cent of forecasted annual growth, while other employment (retail/commercial, office and institutional) achieved 96 per cent of forecasted annual growth.

Peel Non-residential Building Permits



Peel Non-residential GFA (m2) in Issued Building Permits (2019-2024)						
	2019	2020	2021	2022	2023	2024
Industrial	386,699	499,985	329,528	746,893	422,353	243,519
Retail/ Commercial	31,402	57,526	39,731	76,089	20,287	86,013
Office	12,036	3,335	3,959	12,415	8,310	3,383
Institutional	108,776	32,372	98,257	71,000	65,942	101,802
Total	**538,913**	**593,218**	**471,475**	**906,397**	**516,892**	**434,717**

Sources: Peel Building Permit Data; Peel Development Tracker, 2020 Development Charges Background Study

Supporting housing development and long-term affordability across Peel Region

Peel plays a critical role in delivering the infrastructure, regional services, and programs necessary to build more homes and support more affordable housing options. Peel remains committed to working with the Province, local municipalities, and other partners to address housing needs.

Meeting these needs requires collaboration across all levels of government to increase the supply and longevity of housing, particularly affordable housing. It also demands collaborative approaches from municipalities, industry, and community partners to respond to the Peel's rapidly growing and diverse population.

Peel Development Charges Deferral and Grant Program

On June 26, 2025, Regional Council approved a new program to provide development charge (DC) deferrals and grants for eligible new residential developments in Peel. This decision responds to the ongoing housing challenges in Peel. The approved DC Deferral and Grant Program, which took effect on July 10, 2025, is intended to help incentivise residential development and improve housing affordability in Peel.

Program Highlights:

- DC Deferral: Collection of Peel and GO Transit DCs will be deferred, without interest, for eligible residential development to the date of issuance of the first occupancy permit for each building or structure.
- DC Grant: Eligible residential developments may receive a grant-in-lieu of DCs in an amount equal to 50% of the total payable Peel and GO Transit DCs (net of any credits, exemptions, or legislated reductions applied). Grants will be funded by Peel in accordance with the Program Framework.

In addition to Peel's DC Deferral and Grant Program, local municipalities have also implemented or are exploring similar incentives to support residential development.