

Question

What challenges do young people face when imagining their future in the Halton Region?

Discuss housing affordability and availability, using rentals as a stepping stone to homeownership, or changing community needs, and how those challenges could be addressed.

Purpose-Built Rentals and the Future of Young People in Halton Region

According to an article by Canadian Mortgage Trends, Canadians are entering the housing market a lot later than most young buyers worldwide. They found that the average age of a first-time buyer in Toronto and the surrounding area is 40 years old, much older than the 30s and even late 20s found worldwide. Given the widespread perception that housing is attached to socioeconomic success, young people in the Halton Region struggle to imagine their future due to limited affordable housing and unstable rental options. This paper will argue that increasing the amount of purpose-built rental housing can address these challenges by creating more accessible, secure, and long-term living opportunities.

The issue of affordable housing matters now more than at most previous points in history because of rising costs, increased competition, and delayed life milestones among young people. Notably, researchers at TMU's Center for Urban Research and Land Development described a sharp increase in housing prices post-pandemic, caused by "favourable demographics, mortgage interest rates, and a sudden preference shift toward ground-related housing from high-rise apartments." Evidently, the housing market has not been great for young people in recent years, especially with high mortgage rates caused by the pandemic.

However, even outside of the unique pandemic era, Halton's community needs have been changing and making housing less accessible. For example, as the surrounding population has grown in recent years, more young people have moved into the area for work or education, and the demand for diverse and affordable housing options has increased. According to Statistics Canada, Halton Region's population grew by over 8% between 2016 and 2021, with a large part of that growth coming from younger age groups and new immigrants. However, much of the housing development in Halton continues to focus on larger, more expensive homes that are not practical for younger residents or first-time buyers. In fact, a lot of new housing in suburban areas like Halton is detached or semi-detached homes, which are usually the most expensive forms of housing. Many young people are instead looking for smaller, more affordable units that are close to public transit, workplaces, and essential services. The lack of these options creates a divide between what is being built and what is actually needed. This further limits opportunities for young people to establish themselves in the community, and contributes to the difficulty of imagining a stable future in the region.

But what about renting? Well, there surely is a lot of demand for it, but not nearly enough supply. With a low supply of purpose-built housing, high barriers to homeownership, and large amounts of population growth, competition has increased and vacancy rates have decreased (1.6% as of 2023 data) in rental buildings. This, alongside the higher cost of private, individually owned units in condominium apartment buildings, has made renting an increasingly difficult option for younger people looking for a stable and secure place to live.

Purpose-built rental (PBR) buildings are residential buildings that are specifically designed for long-term, affordable rental. They differ from the privately owned rental

market as they are solely owned by investors, pension funds, corporations, and Real Estate Investment Trusts (REITs). Currently, there is a severe lack of available PBR options, with a 2025 article from the Halton Region reporting over 8000 households on the waitlist for PBR. Another report from TMU states that an over-reliance on private condominiums has diminished the health of the GTA's rental market, with 18% of all private dwellings being condominiums in 2021.

As a result, young people in Halton face unstable rents, less security, and difficulty planning long-term without available PBR options. This instability makes it difficult for renters to imagine renting as a stepping stone toward homeownership. Ideally, renting should allow young people to save money, have financial stability, and eventually transition to homeownership. However, high rental prices often cost a large part of someone's income, especially younger people who are new to the job market, leaving little room for savings. For example, recent data from the Canada Mortgage and Housing Corporation (CMHC) shows that the average rent for a one-bedroom apartment in the GTA was more than \$2,500 in 2023, while many entry-level salaries have not kept up with these increases. In addition, CMHC considers housing to be affordable when it costs less than 30% of a household's income, yet many renters are paying much more. Short-term leases and the possibility of sudden rent increases or evictions also create uncertainty, making it harder to plan for the future. Without stable and affordable rental options, many young people are stuck in a cycle where they are unable to save enough to enter the housing market, further delaying major life milestones such as starting a family or advancing their careers.

To address these challenges, increasing the supply of purpose-built rental housing is the best solution. The municipal and provincial governments can encourage the

development of PBR units by offering incentives such as tax breaks, reduced development fees, and faster approval for new projects. Data suggests that increasing supply can have a big impact on affordability. For instance, CMHC has reported that regions with higher rental supply tend to have higher vacancy rates and more stable rent prices, while tight markets like the GTA experience rapid rent increases. By making it easier and more attractive for developers to build rental housing, the overall supply can increase, which may help stabilize rental prices and reduce competition. In addition, policies that require a portion of new developments to include affordable rental units can ensure that housing remains accessible to more people of various income levels. These measures would not only improve housing availability but also provide young people with more stable and predictable living situations.

As well as increasing supply, additional policies can further support young people in the housing market. Improving rent control policies and tenant protections can help prevent sudden unaffordable rent increases, allowing renters to better plan their finances. Expanding programs that support first-time homebuyers such as down payment assistance or tax credits can also make it easier for young people to transition from renting to owning. For example, programs like the First-Time Home Buyer Incentive exist to reduce monthly mortgage costs, although rising home prices have limited their impact in high-cost regions like the GTA. Furthermore, exploring alternative housing models like cooperative housing can provide more affordable living options for a community. These models have been shown to offer rents that are often below market rates, helping residents maintain long-term affordability. Together, these solutions can help create a more accessible housing system that better supports the needs of younger residents.

In conclusion, young people in the Halton Region face significant challenges when trying to imagine their future, largely due to the lack of affordable housing and the instability of the rental market. High costs, low vacancy rates, and an over-reliance on private condominium rentals have made it increasingly difficult for young people to secure stable housing or work toward homeownership. By increasing the availability of purpose-built rental housing and by implementing supportive policies, these challenges can be addressed. Creating a more accessible and stable housing environment is essential not only for young people but for the long-term health and sustainability of the entire community.

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