HOUSING Evolution






Hamilton – Burlington

When it comes to revitalization, infill, redevelopment, renovation and new construction, Hamilton-Burlington is among the foremost examples of resurgence over the past decade. Hamilton, in particular, with 47 per cent of its owned housing stock built prior to 1970, is an ongoing project in renewal. The result of which has been promising, positioning the area as an underestimated up-and-comer. Burlington, on the other hand, has become an emerging hot pocket, as new construction, condominium development and a burgeoning upper-end have sparked a serious upswing in demand and values over the past decade. Average price in Hamilton-Burlington rose 90 per cent from 2000 to 2010, climbing from $164,168 to $311,683. In Hamilton alone, the total value of residential building permits nearly doubled, reaching just over $6.5 billion. Investment in Hamilton-Burlington continues at a solid pace, propping up real estate prices in the process. Downtown Hamilton is at the centre of a plan to bring new life back into the core. New condominium projects and ongoing rejuvenation efforts have attracted a bevy of new residents and have bolstered the city's commercial and business presence. Redevelopment in the form of conversions to condo units has also been well-received, providing an affordable entry-point in to the market for an enthusiastic first-time buyer segment.

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Some upper-end purchasers are also converting existing condo stock—buying up two units and combining them into one. The city continues to encourage the redevelopment of former brownfields as well, providing new residential and mixed-use opportunities. Mirroring the trend in the nearby Greater Toronto Area, the renovation phenomenon surged over the past decade, as older product was infused with sweat equity. Renovation has been widespread, but most notable in areas such as the periphery of downtown Burlington, Ancaster, South East Burlington, Aldershot, and West Burlington. In recent years, buyers have felt empowered by the renovation trend, citing it as one of the few factors within their control that can positively impact property price appreciation. Currently, excellent opportunity exists for handy first-time buyers in Hamilton looking to realize detached ownership. Investors have also been very active —in part a reflection of stock market volatility and the move to a more tangible asset class—snapping up properties with good bones and updating them to today's standards. Some are selling, while others are making a long-term investment and contributing much-needed product to the city's rental pool. Others are purchasing condominium units in close proximity to Mohawk and McMaster. The vacancy rate in Hamilton currently hovers near one per cent, and little purpose-built rental stock has been introduced over the past 15 years. This fact, in combination with low interest rates, continues to make a good case for ownership or investment, and the market for condominiums continues to accelerate. Currently, condominiums represent 24 per cent of all sales. Baby boomers are driving condo demand, especially in Burlington, buying into the low-maintenance lifestyle in droves. Many are downsizing, but making lateral moves in price. Quality is, by far, the most motivating factor. In fact, some are disregarding the old adage, "location, location, location" to secure newer product with all of the best finishes. Most sought-after, however, are bungalows and townhome condominiums in areas such as Caledonia and Ancaster. With Burlington approaching build-out, there's no question that this segment will gain greater traction in the years to come. Infill continues to occur, especially in Ancaster and pockets of East Burlington, although with few opportunities in prime, older, established areas, buyers are looking to other pockets that off er the same characteristics, such as wide lots. This has created a pattern of demand that resembles leap-frogging rather than radiating into peripheral neighbourhoods, as seen in other major centres. New construction has definitely propped up prices, generally costing 30 per cent more than resale product. While demand moving forward is expected to be strongest from the boomer segment, construction to date has been geared toward the first-time buyer audience. A shift among builders and developers to accommodate this growing need will be necessary in coming years. As prices rise, the emergence of new hot pockets has occurred. Hamilton Beach, in particular, is now exceptionally popular. East Burlington is seeing some spillover from the GTA, as buyers are forfeiting the cache of Oakville in favour of more bang for the buck. There is a growing prestige attached with West Burlington and Aldershot as upper-end buyers, who have been sparking unprecedented demand in recent years, make their moves. Southwest Hamilton, including the West Mountain, has also grown more desirable, due to its proximity to Ancaster and Dundas. Rejuvenation efforts have made Hamilton's Locke Street an increasingly sought-after address, given its pedestrian-friendly character and abundance of eclectic shops and services. Ottawa St. will not be far behind. In the past, Hamilton and Burlington lagged in a number of key areas, including commercial and retail investments, amenities and nonresidential construction overall. Yet, the city's new master plan has and will continue to transform the region, especially as the downtown and waterfront areas are renewed, and as infrastructure is updated. The evolution of housing in Hamilton-Burlington, concentrated on a diverse mix of options, will continue to buoy homeownership levels going forward. Prices are forecast to continue their ascent in the months and years ahead, supported by affordability and in-migration. Year-to-date (September) sales are up over eight per cent over year-ago levels, while the average price hovers at $334,128, an increase of seven per cent.

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