

Housing sector booming across Essex County

In first five months, new home construction in Lakeshore up 27%

DOUG SCHMIDT

Housing construction is on a tear in the towns surrounding Windsor, with new subdivisions and homes sprouting up at a rate not seen since the 1990s.

In Lakeshore, housing starts over the first five months of the year shot up 27 per cent over the same period in 2016.

"Housing is going unbelievable right now. Things are definitely booming," said Lakeshore Mayor Tom Bain. At least three new subdivisions are on the go in his town, he said, and new industrial development, including an auto-parts plant expansion with 200 new workers, will only continue to fuel that growth.

After two years of rapid growth, LaSalle is seeing a sustained high level of housing development. The 135 new units so far this year compare to 136 over the same period last year, but that level comes after a 50-per-cent growth rate in housing starts in each of the previous two years.

"Last year was a banner year for us, we had a significant increase — 2017 is on par with that," said Larry Silani, LaSalle's director of development and strategic initiatives.

"These are large increases," said Silani. Recently, a 24-unit rental building was fully rented out at market rates before construction was even completed.

Lakeshore issued 141 house permits over the first five months of 2017, up 27 per cent over the same period in 2016, which itself was a 20-per-cent boost over 2015.

"Oh yeah, new starts are hot, especially in Lakeshore," said Peter Valente, president of Valente Development Corp. A mere six months after his company built a new road, all 37 available lots along Crosswinds Drives were snapped up, with homes in the \$350,000 to \$500,000 range having sold "very, very quickly," he said.

Silani cites two major reasons for the housing boom. First is confidence in the local economy, particularly the 1,200 additional well-paid hires at FCA Canada for the new Pacifica minivan and the many related spinoff jobs in the automotive sector.

The other biggie — a super-hot real estate market in the Greater Toronto Area that appears to be chasing lovers of affordable home ownership to the Windsor and Essex County area.

"A lot of people, if they're not



Framers work on a new home on Ryan Avenue in Lakeshore on Thursday. The municipality issued 141 house permits over the first five months. DAN JANISSE

interested in the GTA because of a job, are cashing in their chips and moving here mortgage-free," said Valente. He estimates 60 per cent of his customers are from out of town, primarily the Toronto area.

"We're reaching critical mass as more people become aware of our area," said Valente. Leamington's housing unit starts doubled in the first four months of the year, from 14 in 2016 to 29 this year. Last year saw "a significant increase over 2015," said Paul Barnable, Leamington's director of community and development services.

Kingsville also saw a 27-per-cent hike this year in housing starts, with 52 permits for new homes issued during the first five months of 2017. That increase followed a significant jump the previous year,

said Mayor Nelson Santos.

Santos also credits the FCA Canada's Windsor Assembly Plant workforce expansion for the "difference in confidence" that is sweeping the local economies.

Rita Chappell-Arsenault, Lakeshore's manager of communications and strategic initiatives, said buyers are flocking to areas where quality of life is emphasized, including new subdivisions near the expanded Atlas Tube Centre with its multiple recreational offerings and near the town's expanding network of walking and cycling trails.

Silani said the two main groups of home hunters LaSalle is seeing are people from the GTA buying large custom-built homes in the \$700,000-plus range, and empty-nesters and young couples looking

for low-maintenance townhouses in the \$300,000 to \$500,000 range.

Silani said there is "a lot of pent-up demand" for smaller properties, including rentals, in walkable neighbourhoods near shopping, transit, medical and seniors centres and recreational trails.

The new confidence in the local housing sector has developers like Valente looking at building rental properties. He said he's currently working on a 24-unit site plan with city planners for a rental development just outside Windsor's downtown.

"We're going to be the guinea pigs," Valente said of a type of residential development the city hasn't seen much of in decades.

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Houses costing more to construct, builders say

HOUSING FROM A1

"I think those factors are very appealing to people, whether it's someone who's downsizing, in retirement or even starting out."

Thomas Haines, head of the Statistics Canada housing prices unit, said builders in Windsor report higher construction costs and improving market conditions.

"Builders are telling us that the cost of building a house has actually increased, and through the demand conditions and the market conditions, they've increased the prices accordingly," Haines said.

Market conditions refer to the state of competition in the market. "This can be either in terms of how many buyers are looking to purchase new homes, so an increase in demand, or how many new homes are currently available for sale, so an increase in supply," said Haines.

"Usually one follows the other. There's a high demand, so if people

are looking for new homes, supply will follow."

Local builder Gino Piccioni, president of Timberland Homes, said prices for new homes are going up because of the strong American dollar, increasing land prices, municipal development charges and the growing cost of skilled labour.

Piccioni said demand is also driving up prices.

"The cost of building a home in Windsor is probably one of the cheapest in all areas of Ontario," he said. "Because of that, demand is very strong here."

John Evola of Evola Builders said he built more than 45 single-family homes and townhomes last year.

"The last couple years have probably been the best years ever," he said. "The Windsor market is a

RANKINGS

Canadian municipalities ranking of price changes for new houses between April 2016 and April 2017 (by percentage)

9.9 Toronto

7.2 St. Catharines-Niagara

6.5 Windsor

6.4 Kitchener-Cambridge-Waterloo

5.3 Victoria

5.0 London

4.0 Vancouver

3.9 Canada

3.8 Hamilton

3.1 Winnipeg

2.3 Ottawa

1.8 Saint John, Fredericton and Moncton

1.1 Halifax

1.0 Montreal

0.6 Greater Sudbury

0.3 Quebec

-0.2 Saskatoon

-0.3 Calgary

-0.4 Regina

-0.4 Charlottetown

-0.6 Edmonton

-0.7 St. John's

Source: Statistics Canada

great market right now."

The market is especially good for people selling their existing homes to purchase a new build, Evola said.

He also said there has been a recent influx in people moving to Windsor from out of town.

"A lot of people were probably born and raised here, then went to

work out of town, and are coming back to settle down here."

The Windsor-Essex County Association of Realtors reported 1,104 residential listings at the end

of May 2017.

The next National Housing Price Index for May 2017 will be released in July.

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RETRACTION NOTICE

It is our sincere apologies that the ad that ran on June 8, 2017, stated the incorrect price on the P6101 2015 JEEP GRAND CHEROKEE LIMITED 4X4- NAVIGATION SYSTEM, LEATHER HEATED MEMORY SEATS, REAR VIEW CAMERA, BACKUP SENSOR, BLUETOOTH 49,212KMS. The Price printed in the Windsor Star was listed as \$26,300. The correct price is **\$34,700**. We reject any inconvenience this may have caused our valued customers.

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