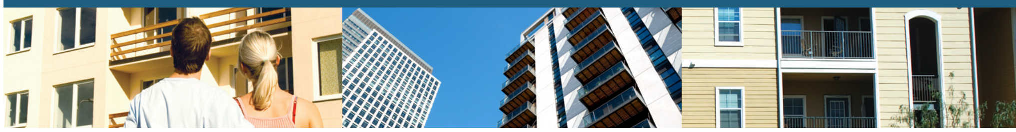
RENTAL MARKET REPORT

Newfoundland and Labrador Highlights*



CANADA MORTGAGE AND HOUSING CORPORATION

Date Released: Spring 2014

Figure 1

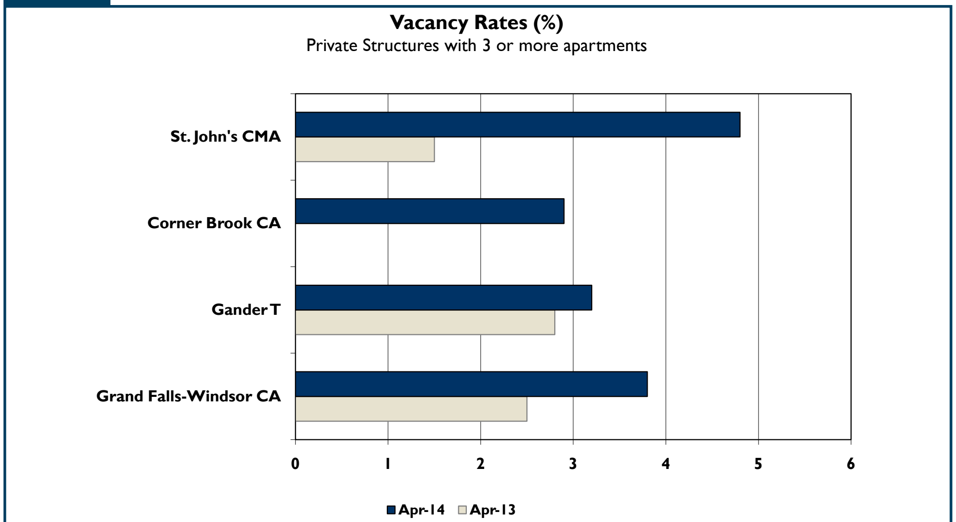
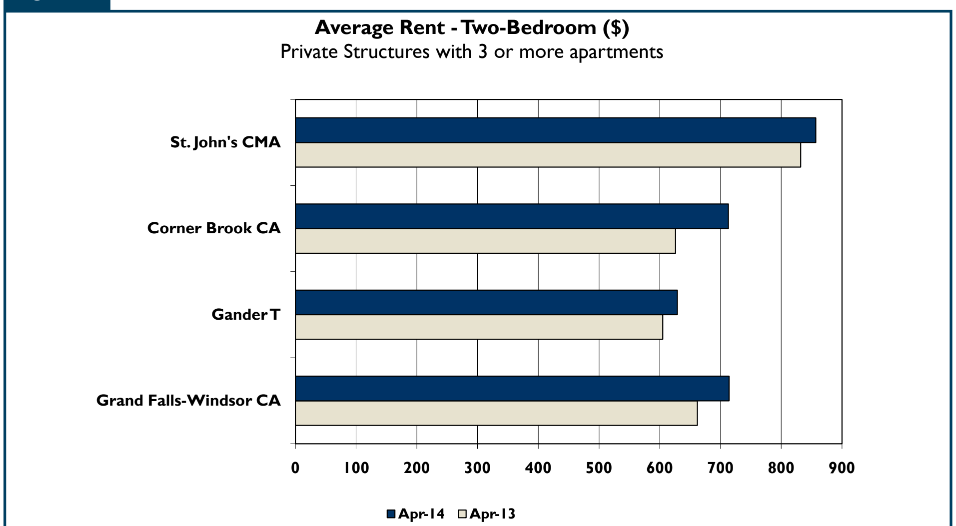


Figure 2



*Urban centres with a population of 10,000 + are included in the survey

Vacancy Rates Increased Across The Province

- The overall provincial vacancy rate was 4.3 per cent in April, up from 1.7 per cent a year ago.
- The St. John's area vacancy rate was 4.8 per cent in April compared to 1.5 per cent last year.
- The average two-bedroom rent was $785 across the provincial urban centres surveyed.

Vacancy Rate Edges Up

According to the results of Canada Mortgage and Housing Corporation's Spring Rental Market Survey[1], vacancy rates[2] generally increased in the province's urban centres[3]. The overall provincial vacancy rate increased to 4.3 per cent in April from 1.7 per cent a year ago. The vacancy rate was highest in St. John's, while Corner Brook had the lowest vacancy rate. Average rents were highest in the St. John's area and the lowest in Gander.

The St. John's area rental market posted a vacancy rate of 4.8 per cent in April versus 1.5 per cent a year ago. The increase can be attributed to both supply and demand factors. On the supply side, there were 43 new rental apartment units added to the market which represents 1.2 per cent of the rental universe. On the demand side, a number of renter households have accessed homeownership or chose basement apartments, leaving a number of purpose built rental units empty.

In Gander the vacancy rate remained statistically unchanged at 3.2 per cent which represented the steadiest rental market across the province. The posted vacancy rate remains low in historical terms and rental demand continues to be supported by a stable local economy. In addition to this, there were no new rental units added to the universe, which is the only market where this occurred. Gander's economy is based on activity generated due to its location as a major regional service hub for central Newfoundland.

Grand Falls-Windsor posted a vacancy rate of 3.8 per cent in April versus 2.5 per cent last year. The town's economy has been strong in recent years and has supported demand for rental units, despite the current increase in vacancies. Also, there were 21 new two-bedroom units added to the rental universe since the April 2013 survey, so it is likely people moved into these new units, leaving some of the older units empty. Increased economic activity throughout the area has been driven by its large hospital, community colleges, a significant increase in residential and commercial development, and its location as a major service hub for surrounding communities in the area.

The Corner Brook area's sizeable health, education and tourism sectors and a well diversified economy continue to offset ongoing concerns regarding the future of the pulp and paper industry. However, a ten per cent increase (highest among surveyed centres) in the rental universe because of the addition of 51 new two-bedroom units likely caused the vacancy rate to increase to 2.9 per cent this spring compared to zero per cent last year, with some of the older units remaining vacant during the spring survey.

Average Rents Creeping Up

Overall, the average two-bedroom rent increased to $785 per month across the urban centres surveyed compared to $751 a year ago. The highest average two-bedroom rent was $857 in St. John's, while Gander had the lowest average two-bedroom rent at $629. The remaining average two-bedroom rents were $713 in Corner Brook, $714 in Grand Falls-Windsor and $649 in Bay Roberts.

Based on structures common to both the 2013 and 2014 surveys[4], overall average rents increased in all centres. In St. John's, the average rent increased 2.5 per cent. In Corner Brook, the increase was 1.7 per cent. In Grand Falls-Windsor average rents increased 3.4 per cent, while Gander increased 2.7 per cent. The average rent increases were driven by stable economic activity throughout the province, as well as general growth in population, income and employment in the surveyed centres. The continued higher cost of fuel, utilities and maintenance also likely contributed to rental rate increases.

It should be noted that both average rents and the vacancy rate increased across the province. Despite an increase in the vacancy rate, rents continue to rise because of the strength in the economy and demand for new units from the age 55 plus demographic, which is likely leaving older units vacant.

1 Due to seasonal factors, the results of the October 2013 Rental Market Survey are not directly comparable with the results from the April 2014 Rental Market Survey.

2 The survey is based on privately-initiated rental apartment structures of three or more units.

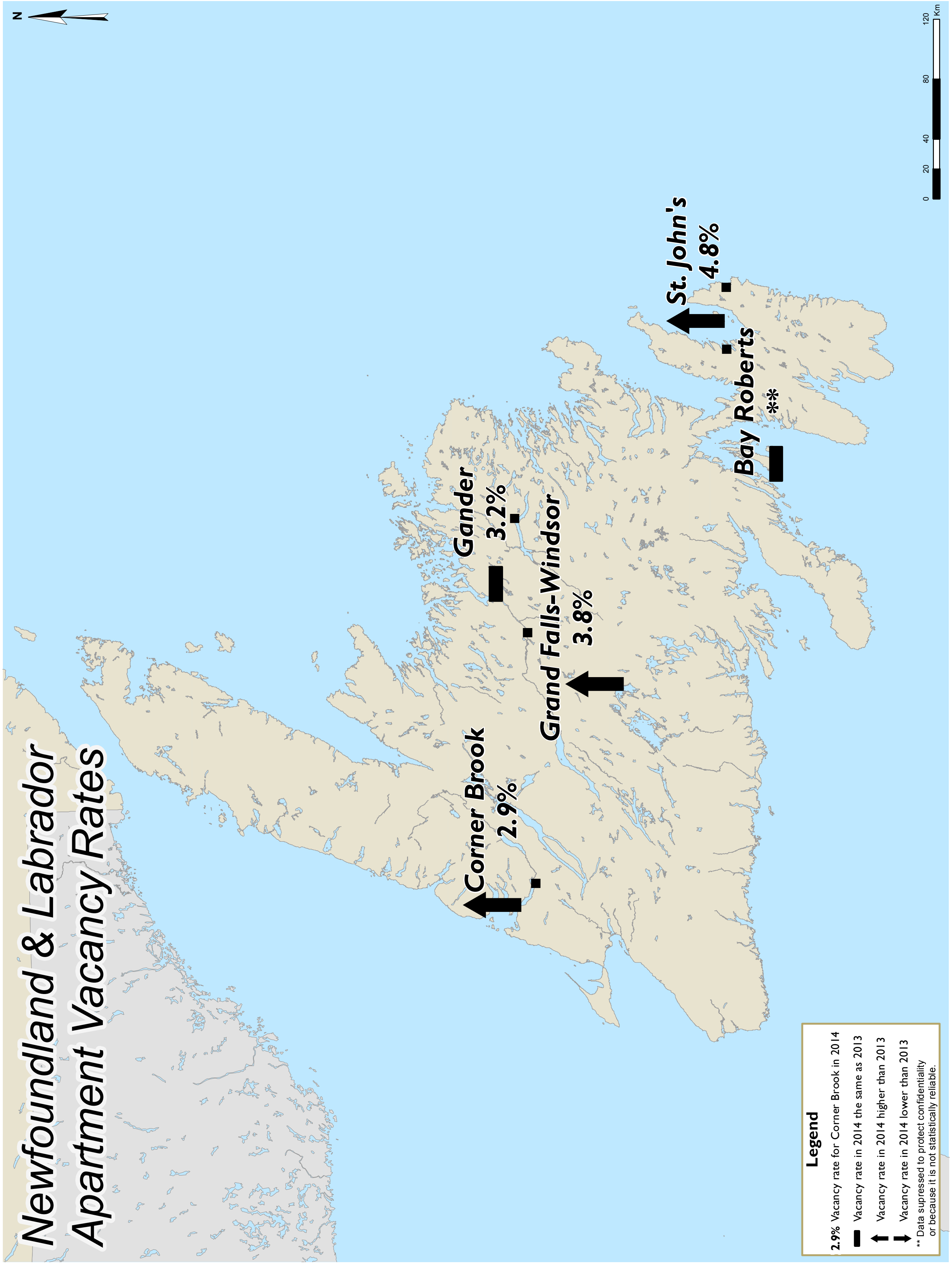
3 Urban centres defined as centres with a population of 10,000 or more.

4 Year-over-year comparisons of average rents can be slightly misleading because rents in newly built structures tend to be higher than in existing buildings. Excluding new structures and focusing on structures existing in both the April 2013 and April 2014 surveys provides a better indication of actual rent increases paid by tenants.

Rising Availability Rates

The apartment availability rate[5] ranged from a high of 5.4 per cent in St. John's in April versus 1.9 per cent last year, to a low of 3.1 per cent in Corner Brook compared to 0.5 per cent in the spring of 2013. The availability rate was 3.8 per cent in the Grand Falls-Windsor area versus 2.5 per cent a year ago, while Gander recorded an availability rate of 3.4 per cent compared to 2.8 per cent last year.

[5] A rental unit is considered available if the unit is vacant, or the existing tenant has given or received official notice to move and a new tenant has not signed a lease. As the definition of availability includes vacancy, the availability rate will always be equal to or greater than the vacancy rate.


Newfoundland & Labrador
Apartment Vacancy Rates
N
Corner Brook
2.9%
Grand Falls-Windsor
3.8%
Gander
3.2%
Bay Roberts
**
St. John's
4.8%
0 20 40 80 120 Km
Legend
2.9% Vacancy rate for Corner Brook in 2014
Vacancy rate in 2014 the same as 2013
Vacancy rate in 2014 higher than 2013
Vacancy rate in 2014 lower than 2013
** Data supressed to protect confidentiality or because it is not statistically reliable.

1.1.1 Private Apartment Vacancy Rates (%) by Bedroom Type Newfoundland and Labrador

Centre	Bachelor			1 Bedroom			2 Bedroom			3 Bedroom +			Total		
	Apr-13	Apr-14		Apr-13	Apr-14		Apr-13	Apr-14		Apr-13	Apr-14		Apr-13	Apr-14	
St. John's CMA	1.1 a	**		0.9 a	3.8 c	↑	1.6 a	5.1 c	↑	3.6 c	**		1.5 a	4.8 b	↑
Bay Roberts CA	-	-		**	**		**	**		**	**		**	**	
Corner Brook CA	**	**		0.0 c	1.9 c	↑	0.0 b	3.4 b	↑	0.0 c	2.4 b	↑	0.0 b	2.9 a	↑
Gander T	**	**		4.2 a	5.0 a	↑	2.4 b	2.8 a	-	2.5 a	2.7 a	↑	2.8 a	3.2 a	-
Grand Falls-Windsor CA	**	**		1.2 a	5.1 d	↑	2.6 c	3.0 b	-	0.0 a	**		2.5 b	3.8 c	↑
Newfoundland & Labrador 10,000+	**1.4** a	**		**1.2** a	**3.8** b	↑	**1.8** a	**4.3** b	↑	**2.9** b	**5.7** d	-	**1.7** a	**4.3** b	↑

The following letter codes are used to indicate the reliability of the estimates:
a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)
** Data suppressed to protect confidentiality or data not statistically reliable.
n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

↑ indicates the year-over-year change is a statistically significant increase, ↓ indicates the change is a statistically significant decrease, while – indicates that the change is not statistically significant.

Please click Methodology or Data Reliability Tables Appendix link for more details

1.1.2 Private Apartment Average Rents ($) by Bedroom Type Newfoundland and Labrador

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-13	Apr-14	Apr-13	Apr-14	Apr-13	Apr-14	Apr-13	Apr-14	Apr-13	Apr-14
St. John's CMA	620 a	609 b	708 a	733 a	832 a	857 a	885 a	879 b	778 a	799 a
Bay Roberts CA	-	-	**	**	**	649 a	**	**	648 c	656 a
Corner Brook CA	475 b	470 a	547 a	560 a	626 a	713 a	797 a	791 a	614 a	675 a
Gander T	**	**	540 a	558 a	605 a	629 a	678 a	677 b	594 a	616 a
Grand Falls-Windsor CA	**	**	537 a	578 a	662 a	714 a	**	**	640 a	689 a
Newfoundland & Labrador 10,000+	**607** a	**590** b	**666** a	**695** a	**751** a	**785** a	**845** a	**836** a	**724** a	**751** a

The following letter codes are used to indicate the reliability of the estimates (cv = coefficient of variation):
a - Excellent (0 ≤ *cv* ≤ 2.5), b- Very good (2.5 < *cv* ≤ 5), c - Good (5 < *cv* ≤ 7.5), d - Fair (Use with Caution) (7.5 < *cv* ≤ 10)
** Data suppressed to protect confidentiality or data not statistically reliable.
n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix link for more details

1.1.3 Number of Private Apartment Units in the Universe by Bedroom Type Newfoundland and Labrador

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-13	Apr-14	Apr-13	Apr-14	Apr-13	Apr-14	Apr-13	Apr-14	Apr-13	Apr-14
St. John's CMA	366	362	1,108	1,117	1,723	1,760	281	282	3,478	3,521
Bay Roberts CA	0	0	3	5	27	28	1	2	31	35
Corner Brook CA	25	25	118	116	309	360	42	42	494	543
Gander T	1	1	121	120	429	428	37	37	588	586
Grand Falls-Windsor CA	6	6	86	87	383	404	11	12	486	509
Newfoundland & Labrador 10,000+	**398**	**394**	**1,436**	**1,445**	**2,871**	**2,980**	**372**	**375**	**5,077**	**5,194**

The following letter codes are used to indicate the reliability of the estimates:
a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)
** Data suppressed to protect confidentiality or data not statistically reliable.
n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix link for more details

1.1.4 Private Apartment Availability Rates (%) by Bedroom Type Newfoundland and Labrador

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-13	Apr-14	Apr-13	Apr-14	Apr-13	Apr-14	Apr-13	Apr-14	Apr-13	Apr-14
St. John's CMA	1.4 a	**	1.2 a	3.9 c ↑	2.1 a	6.1 b ↑	3.6 c	**	1.9 a	5.4 b ↑
Bay Roberts CA	-	-	**	**	**	**	**	**	**	**
Corner Brook CA	**	**	0.0 c	2.9 c ↑	0.4 a	3.4 b ↑	2.9 c	2.4 b -	0.5 a	3.1 b ↑
Gander T	**	**	4.2 a	5.0 a ↑	2.4 b	3.0 a -	2.5 a	2.7 a ↑	2.8 a	3.4 a ↑
Grand Falls-Windsor CA	**	**	1.2 a	5.1 d ↑	2.6 c	3.0 b -	0.0 a	**	2.5 b	3.8 c ↑
Newfoundland & Labrador 10,000+	**1.7 a**	**	**1.4 a**	**4.0 b ↑**	**2.1 a**	**4.9 b ↑**	**3.3 c**	**	**2.0 a**	**4.8 b ↑**

The following letter codes are used to indicate the reliability of the estimates:
a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)
** Data suppressed to protect confidentiality or data not statistically reliable.
n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

↑ indicates the year-over-year change is a statistically significant increase, ↓ indicates the change is a statistically significant decrease, while – indicates that the change is not statistically significant.

Please click Methodology or Data Reliability Tables Appendix link for more details

1.1.5 Private Apartment Estimate of Percentage Change (%) of Average Rent[1] by Bedroom Type Newfoundland and Labrador

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-12 to Apr-13	Apr-13 to Apr-14	Apr-12 to Apr-13	Apr-13 to Apr-14	Apr-12 to Apr-13	Apr-13 to Apr-14	Apr-12 to Apr-13	Apr-13 to Apr-14	Apr-12 to Apr-13	Apr-13 to Apr-14
St. John's CMA	2.9 c	**	4.0 c	2.4 c	5.5 b	2.5 c	5.9 d	++	4.4 b	2.5 b
Bay Roberts CA	-	-	**	**	**	**	**	**	++	++
Corner Brook CA	5.2 a	++	5.9 d	++	5.3 b	1.9 c	7.8 b	**	5.3 b	1.7 b
Gander T	**	**	5.2 a	5.0 a	5.9 b	3.2 b	7.0 b	**	6.2 a	2.7 a
Grand Falls-Windsor CA	**	**	1.8 c	4.3 c	2.1 b	3.2 c	**	**	2.1 b	3.4 c
Newfoundland & Labrador 10,000+	**3.0** d	**2.0** c	**4.1** c	**2.9** b	**5.1** b	**2.6** b	**6.0** c	**++**	**4.5** b	**2.5** a

[1]The Percentage Change of Average Rent is a measure of the market movement, and is based on those structures that were common to the survey sample for both years.

The following letter codes are used to indicate the reliability of the estimates:
a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)
** Data suppressed to protect confidentiality or data not statistically reliable.
++ Change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0).
n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix link for more details

TECHNICAL NOTE:

Difference between Percentage Change of Average Rents (Existing and New Structures) AND Percentage Change of Average Rents from Fixed Sample (Existing Structures Only):

Percentage Change of Average Rents (New and Existing Structures): The increase/decrease obtained from the calculation of percentage change of average rents between two years (example: $500 in the previous year vs. $550 in current survey represents an increase of 10 percent) is impacted by changes in the composition of the rental universe (e.g. the inclusion of newly built luxury rental buildings in the survey, rental units renovated/upgraded or changing tenants could put upward pressure on average rents in comparison to the previous year) as well as by the rent level movement (e.g. increase/decrease in the level of rents that landlords charge their tenants).

Percentage Change of Average Rents from Fixed Sample (Existing Structures Only): This is a measure that estimates the rent level movement. The estimate is based on structures that were common to the survey sample for both the previous year and the current Rental Market Surveys. However, some composition effects still remain e.g. rental units renovated/upgraded or changing tenants because the survey does not collect data to such level of details.

METHODOLOGY FOR RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts the **Rental Market Survey** (RMS) every year in April and October to estimate the relative strengths in the rental market. The survey is conducted on a sample basis in all urban areas with populations of 10,000 and more. The survey targets only privately initiated structures with at least three rental units, which have been on the market for at least three months. The survey collects market rent, available and vacant unit data for all sampled structures.
The survey is conducted by a combination of telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent. The survey is conducted during the first two weeks of April/October, and the results reflect market conditions at that time.

CMHC's Rental Market Survey provides a snapshot of vacancy and availability rates, and average rents in both new and existing structures. There also exists a measure for the change in rent that is calculated based on existing structures only. The estimate is based on structures that were common to the survey sample for both the previous year and the current Rental Market Surveys. The change in rent in existing structures is an estimate of the change in rent that the landlords charge and removes compositional effects on the rent level movement due to new buildings, conversions, and survey sample rotation. The estimate of per cent change in rent is available in all Canada and Provincial Highlights publications, and also in the CMA reports (fall survey only). The rent levels in new and existing structures are also published. While the per cent change in rents in existing structures published in the reports are statistically significant, changes in rents that one might calculate based on rent levels in new and existing structures may or may not be statistically significant.

Use caution when comparing changes in statistics from one year to the next. Even if there is a year over year change, it is not necessarily a statistically significant change. These tables include indicators to help interpret changes. ↑ indicates the year-over-year change is a statistically significant increase, ↓ indicates the year-over-year change is a statistically significant decrease, while – indicates that the effective sample does not allow one to interpret any year-over-year change as being statistically significant.

DEFINITIONS

Availability: A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy below).

Rent: The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit.

It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent.

Rental Apartment Structure: Any building containing three or more rental units, of which at least one unit is not ground oriented. Owner-occupied units are not included in the rental building unit count.

Rental Row (Townhouse) Structure: Any building containing three or more rental units, all of which are ground oriented with vertical divisions. Owner-occupied units are not included in the rental building unit count. These row units in some centres are commonly referred to as townhouses.

Vacancy: A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Definitions of Census Areas referred to in this publication are as follows:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

Data presented in this publication is based on Statistics Canada's 2011 Census area definitions.

Acknowledgement

The Rental Market Survey could not have been conducted without the cooperation of the rental property owners, managers, and building superintendents throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information. As a result of their contribution, CMHC is able to provide information that benefits the entire housing industry.

CMHC—HOME TO CANADIANS

Canada Mortgage and Housing Corporation (CMHC) has been Canada's national housing agency for more than 65 years.

Together with other housing stakeholders, we help ensure that the Canadian housing system remains one of the best in the world. We are committed to helping Canadians access a wide choice of quality, environmentally sustainable and affordable housing solutions that will continue to create vibrant and healthy communities and cities across the country.

For more information, visit our website at www.cmhc.ca or follow us on Twitter, YouTube and Flickr.

You can also reach us by phone at 1-800-668-2642 or by fax at 1-800-245-9274.

Outside Canada call 613-748-2003 or fax to 613-748-2016.

Canada Mortgage and Housing Corporation supports the Government of Canada policy on access to information for people with disabilities. If you wish to obtain this publication in alternative formats, call 1-800-668-2642.

The Market Analysis Centre's (MAC) electronic suite of national standardized products is available for free on CMHC's website. You can view, print, download or subscribe to future editions and get market information e-mailed automatically to you the same day it is released. It's quick and convenient! Go to www.cmhc.ca/housingmarketinformation

For more information on MAC and the wealth of housing market information available to you, visit us today at www.cmhc.ca/housingmarketinformation

To subscribe to priced, printed editions of MAC publications, call 1-800-668-2642.

Housing market intelligence you can count on

FREE REPORTS AVAILABLE ON-LINE

- Canadian Housing Statistics
- Housing Information Monthly
- Housing Market Outlook, Canada
- Housing Market Outlook, Highlight Reports – Canada and Regional
- Housing Market Outlook, Major Centres
- Housing Market Tables: Selected South Central Ontario Centres
- Housing Now, Canada
- Housing Now, Major Centres
- Housing Now, Regional
- Monthly Housing Statistics
- Northern Housing Outlook Report
- Preliminary Housing Start Data
- Rental Market Provincial Highlight Reports
- Rental Market Reports, Major Centres
- Rental Market Statistics
- Residential Construction Digest, Prairie Centres
- Seniors' Housing Reports

Get the market intelligence you need today!

Click www.cmhc.ca/housingmarketinformation to view, download or subscribe.

CMHC's Market Analysis Centre e-reports provide a wealth of detailed local, provincial, regional and national market information.

- **Forecasts and Analysis** – Future-oriented information about local, regional and national housing trends.
- **Statistics and Data** – Information on current housing market activities – starts, rents, vacancy rates and much more.

Housing Market Information Portal

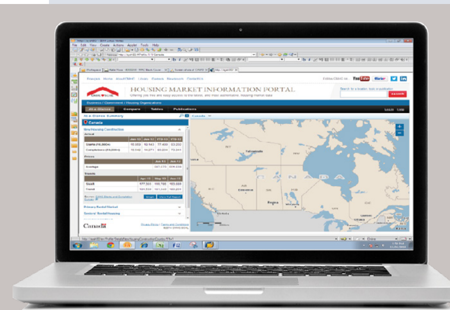
The housing data you want, the way you want it.

COMING SOON!

Save and share data, tables and charts

Access CMHC's housing information quickly and easily

An innovative new web tool



64499_2014_B01