

RENTAL MARKET REPORT

Manitoba Highlights*



CANADA MORTGAGE AND HOUSING CORPORATION

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Figure 1

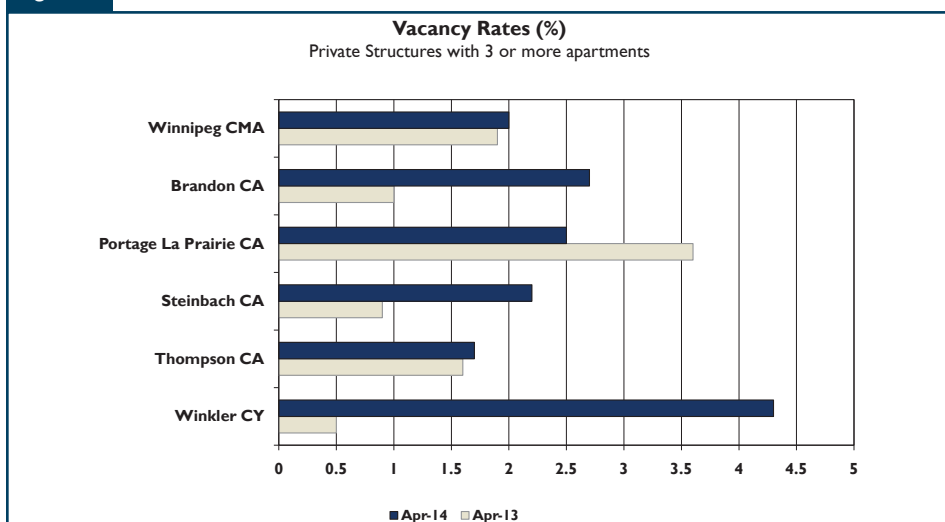


Figure 2



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

Provincial Vacancy Rate Above Two Per Cent

- The average apartment vacancy rate in Manitoba's urban centres was 2.1 per cent in April 2014 compared to 1.8 per cent in April 2013.
- Apartment vacancies in April 2014 ranged from 1.7 per cent in the Thompson Census Agglomeration (CA) to 4.3 per cent in Winkler.
- The Winnipeg Census Metropolitan Area (CMA) recorded an apartment vacancy rate of two per cent in April 2014 compared to 1.9 per cent in the previous year.
- For units common to both the April 2013 and 2014 surveys, the provincial average rent for a two-bedroom apartment increased 3.2 per cent.

Manitoba's Apartment Vacancy Rates Varied

According to the results of Canada Mortgage and Housing Corporation's (CMHC) April 2014 Rental Market Survey¹, the overall apartment vacancy rate² in Manitoba's urban centres³ was 2.1 per cent in April 2014 compared to 1.8 per cent in last year's April survey. Vacancies for three-bedroom plus units declined from 2.4 per cent in April 2013 to 1.4 per cent in April 2014. Conversely, one-bedroom units recorded an increase in the vacancy rate from 1.4 per cent in April 2013 to 1.9 per cent this year. For bachelor and two-bedroom units, vacancies were relatively unchanged in the April 2014 survey compared to last year. Bachelor units reported a vacancy rate of 1.8 per cent in April 2014, while two-bedroom units had a vacancy rate of 2.3 per cent.

Net Migration Moderating but Supportive of Rental Demand

A lower level of migration to Manitoba contributed to a vacancy rate above two per cent. Net migration to Manitoba declined in 2013 to 8,576 people, down from 10,278 in 2012. Higher losses in net interprovincial migration and a decline in net international migration both combined to reduce overall net migration to Manitoba.

Modest employment gains have weakened the draw for migrants to

Manitoba. Provincial employment grew by only 0.6 per cent in 2013, the third consecutive year of growth below one per cent. Through four months of 2014, employment growth has been negative with a reduction of 3,100 positions. The absence of employment growth so far this year has had a moderating influence on net migration and thus rental demand.

Low provincial rental vacancies and strong demand in recent years have spurred an uptick in rental construction in Manitoba. Purpose-built apartment rental completions rose from 813 units in 2012 to 1,029 units in 2013. With additions outnumbering the loss of units due to renovation or conversion to condominium, the universe of rental apartment units increased to 59,400 units in April 2014, a net gain of 375 units from April 2013. Further additions to the rental stock are expected moving forward, as there were 1,048 rental apartment units under construction in April 2014.

Same Sample Rent Increases Among the Highest in Steinbach

For units common to both the April 2013 and April 2014 surveys⁴, same sample two-bedroom apartment rents increased by 3.2 per cent across Manitoba's urban centres. In Winnipeg, same sample rents for two-bedroom apartment units rose by 3.4 per cent in April 2014 from a year earlier. Two-bedroom same sample apartment

rents also rose in the remaining urban centres. Two-bedroom apartment rents in Steinbach increased by 3.7 per cent year-over-year in April 2014. In response to a vacancy rate below one per cent last year, Steinbach reported among the highest same sample rent increases in Manitoba. With the largest gain in vacancies this year, two-bedroom same sample apartment rents in Winkler rose by 0.9 per cent year-over-year, among the lowest gain across urban centres.

While same sample rent increases were above the Residential Tenancies Branch's rent increase guideline for Manitoba⁵ of two per cent for 2014, there are some exceptions to the guideline that allow for a larger rent increase. For example, many older rental buildings in Manitoba face rising maintenance and energy costs, thus landlords can apply for permission to increase rents above the guideline to cover these costs. Other examples include premises renting for \$1,395 or more per month as of December 31, 2013, as well as new buildings less than 20 years old where occupancies started after March 7, 2005.

Vacancies Increase in Some Urban Centres

The apartment vacancy rate in the Winnipeg CMA was two per cent in April 2014, relatively unchanged from 1.9 per cent in April 2013. While elevated net migration continued to support rental demand in Winnipeg, it declined 12 per cent to 9,572 people

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

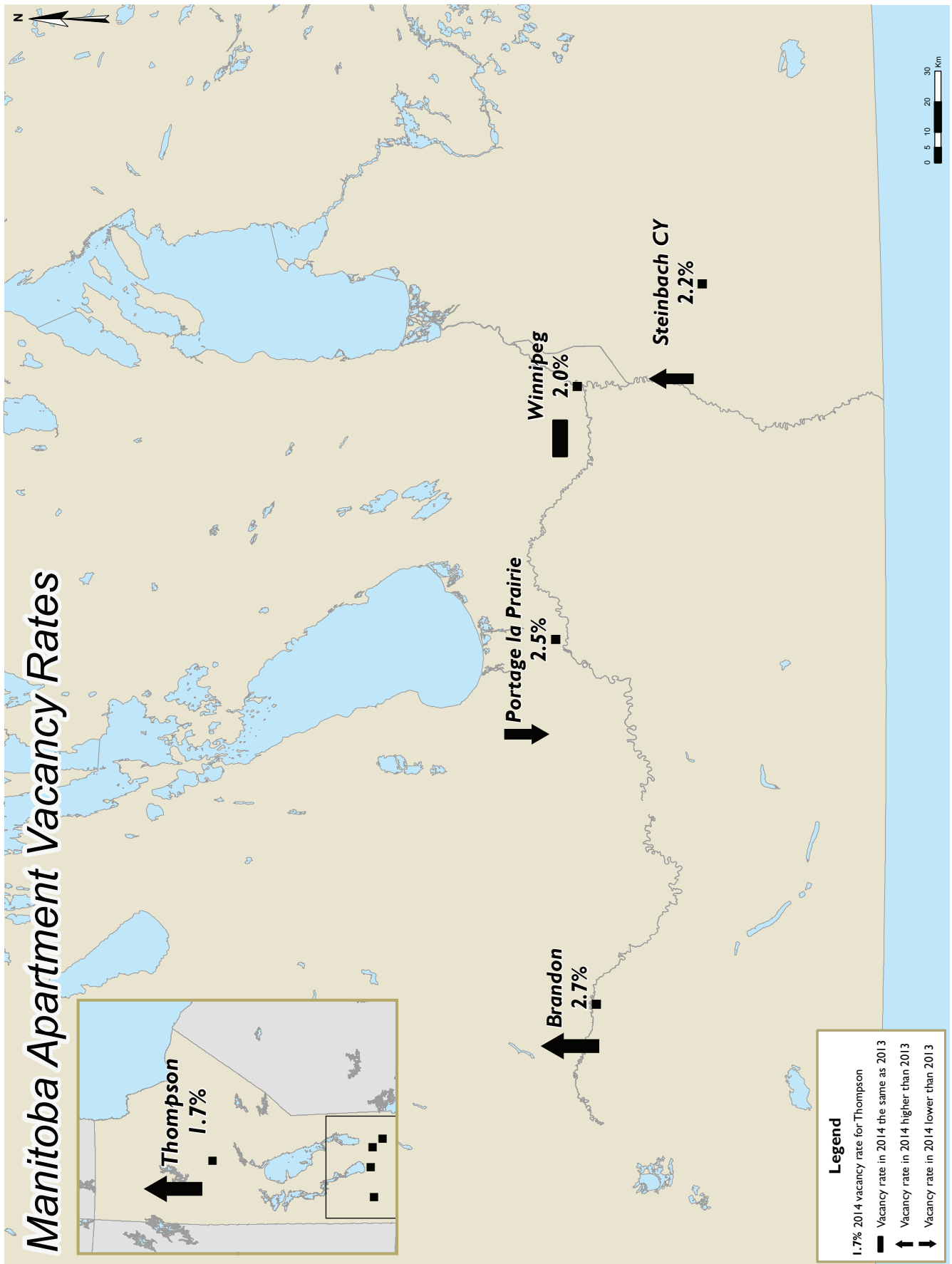
⁵ <http://www.gov.mb.ca/ccar/tb/rentincreaseguideline/2014rentguideline.html>

in 2013. Supply levels also had an impact on overall vacancy. Between the two April surveys, Winnipeg's rental apartment universe expanded by 356 units. All unit types with the exception of bachelor units recorded an increase in supply. The majority of the increase in universe was in two-bedroom units where the vacancy rate was 2.2 per cent in April 2014 compared to 2.4 per cent in April 2013.

Of Manitoba's urban centres, the highest vacancy rate in April 2014 was in Winkler at 4.3 per cent, up from 0.5 per cent in April 2013. Winkler's rental market has a relatively small universe of only 394 apartments, thus changes of only a few units can create large changes to the vacancy rate. The vacancy rate in Thompson was 1.7 per cent in April 2014, a modest increase from 1.6 per cent in April 2013 but the lowest among all of Manitoba's urban centres. The vacancy rate in Thompson remained relatively low as economic uncertainty in the mining sector provided more incentive for tenants to stay in the rental market

Average Rents Highest in Winnipeg

Including both new and existing structures, the average rent for a two-bedroom apartment in Manitoba was \$940 per month in April 2014. In Winnipeg, the average two-bedroom apartment rent was \$969 per month in April 2014, representing the highest average rent among urban centres in Manitoba. The lowest average rent for a two-bedroom apartment was found in Winkler at \$686 per month.



I.1.1 Private Apartment Vacancy Rates (%) by Bedroom Type Manitoba

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
Winnipeg CMA	1.7 c	1.7 c -	1.4 a	1.9 a ↑	2.4 a	2.2 a -	2.5 b	0.9 a ↓	1.9 a	2.0 a -
Brandon CA	0.0 b	0.0 d -	1.5 a	1.9 c -	0.8 a	3.1 d ↑	1.1 d	**	1.0 a	2.7 c ↑
Hanover RM	-	-	-	-	**	**	**	**	**	**
Portage La Prairie CA	3.7 a	0.0 a ↓	2.8 a	2.4 a -	4.5 c	2.3 a ↓	0.0 a	9.5 a ↑	3.6 b	2.5 a ↓
Steinbach CA	0.0 a	0.0 a -	0.7 a	1.3 a ↑	1.0 a	2.9 a ↑	**	0.0 a	0.9 a	2.2 a ↑
Thompson CA	3.1 a	15.6 a ↑	1.9 a	1.7 a ↓	1.3 a	1.1 a ↓	5.3 a	0.0 a ↓	1.6 a	1.7 a ↑
Winkler CY	**	**	0.4 a	4.4 a ↑	0.7 a	4.5 a ↑	**	**	0.5 a	4.3 a ↑
Manitoba 10,000+	1.6 c	1.8 c -	1.4 a	1.9 a ↑	2.2 a	2.3 a -	2.4 b	1.4 a ↓	1.8 a	2.1 a -

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

I.1.2 Private Apartment Average Rents (\$) by Bedroom Type Manitoba

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
Winnipeg CMA	554 a	559 a	727 a	751 a	939 a	969 a	1,162 a	1,135 b	812 a	835 a
Brandon CA	468 a	449 b	589 a	585 a	773 a	782 a	992 b	970 b	720 a	729 a
Hanover RM	-	-	-	-	**	**	**	**	**	**
Portage La Prairie CA	368 a	361 b	527 a	554 a	661 a	693 a	654 a	676 a	590 a	619 a
Steinbach CA	510 a	510 a	590 a	623 a	701 a	736 a	**	946 a	654 a	699 a
Thompson CA	630 a	629 a	717 a	723 a	790 a	803 a	763 a	736 a	759 a	769 a
Winkler CY	**	**	510 a	523 a	669 a	686 a	**	**	569 a	584 a
Manitoba 10,000+	550 a	556 a	718 a	741 a	912 a	940 a	1,131 a	1,100 a	800 a	822 a

The following letter codes are used to indicate the reliability of the estimates (cv = coefficient of variation):

a - Excellent ($0 \leq cv \leq 2.5$), b- Very good ($2.5 < cv \leq 5$), c - Good ($5 < cv \leq 7.5$), d - Fair (Use with Caution) ($7.5 < cv \leq 10$)

** 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 Manitoba

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
Winnipeg CMA	3,626	3,576	26,292	26,342	21,674	22,001	1,160	1,189	52,752	53,108
Brandon CA	87	93	983	983	2,064	2,064	109	130	3,243	3,270
Hanover RM	0	0	0	0	23	23	6	6	29	29
Portage La Prairie CA	27	29	265	263	308	308	21	21	621	621
Steinbach CA	14	14	237	240	439	455	13	12	703	721
Thompson CA	32	32	467	458	762	750	19	17	1,280	1,257
Winkler CY	7	7	228	228	156	154	6	5	397	394
Manitoba 10,000+	3,793	3,751	28,472	28,514	25,426	25,755	1,334	1,380	59,025	59,400

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 Manitoba

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
Winnipeg CMA	2.3 c	3.0 d -	2.2 a	3.3 b ↑	3.4 b	3.6 a -	3.2 c	2.1 c -	2.7 a	3.4 a ↑
Brandon CA	0.0 b	0.0 d -	1.6 a	2.0 c -	0.8 a	3.2 d ↑	1.1 d	**	1.0 a	2.8 c ↑
Hanover RM	-	-	-	-	**	**	**	**	**	**
Portage La Prairie CA	3.7 a	0.0 a ↓	3.2 b	2.8 a -	4.5 c	2.3 a ↓	0.0 a	14.3 a ↑	3.7 b	2.8 a ↓
Steinbach CA	0.0 a	0.0 a -	0.7 a	1.7 a ↑	1.0 a	3.5 a ↑	**	0.0 a	0.9 a	2.8 a ↑
Thompson CA	3.1 a	15.6 a ↑	1.9 a	1.7 a ↓	1.4 a	1.1 a ↓	5.3 a	0.0 a ↓	1.7 a	1.7 a -
Winkler CY	**	**	0.4 a	5.7 a ↑	0.7 a	5.8 a ↑	**	**	0.5 a	5.6 a ↑
Manitoba 10,000+	2.3 b	3.0 d -	2.2 a	3.2 b ↑	3.1 b	3.5 a -	3.0 b	2.5 b -	2.6 a	3.3 a ↑

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)

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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

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I.1.5 Private Apartment Estimate of Percentage Change (%) of Average Rent¹ by Bedroom Type Manitoba

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
Winnipeg CMA	**	3.1 d	2.7 b	3.5 b	3.6 b	3.4 c	3.3 d	3.4 d	2.8 b	3.7 c
Brandon CA	6.2 c	3.1 d	3.4 c	2.3 c	2.9 b	1.7 c	++	1.4 a	3.1 c	1.8 c
Hanover RM	-	-	-	-	**	**	**	**	**	**
Portage La Prairie CA	**	1.1 a	1.7 c	4.6 c	1.4 a	2.8 a	++	++	1.7 c	3.3 b
Steinbach CA	**	0.7 a	3.9 a	4.5 a	2.4 b	3.7 b	**	**	2.9 a	3.8 a
Thompson CA	2.6 b	1.5 b	3.1 b	0.8 a	3.4 b	1.3 a	2.9 a	-4.3 a	3.1 b	1.1 a
Winkler CY	-	**	-	2.3 a	-	0.9 a	-	**	-	1.9 a
Manitoba 10,000+	**	3.0 d	2.7 b	3.4 b	3.5 b	3.2 c	3.3 d	3.3 d	2.8 a	3.5 c

¹The 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

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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.

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