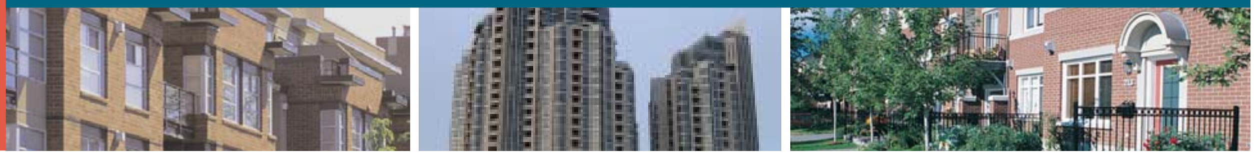
HOUSING MARKET INFORMATION

RENTAL MARKET REPORT

Newfoundland and Labrador Highlights*



Canada Mortgage and Housing Corporation

Date Released: December 2006

Vacancy Rate Down in Most Rental Markets

CMHC's annual survey of rental accommodation conducted during the first two weeks of October indicated that vacancy rates for private apartment structures containing three or more units decreased in Corner Brook, Gander, Grand Falls-Windsor and Labrador CA, while the St. John's CMA experienced higher vacancies.

Within the St. John's region, the vacancy rate climbed to 5.1 per cent this year, up from 4.5 per cent in October of 2005. This marked the third year in a row in which the vacancy rate increased in St. John's. Although new housing starts declined in 2006, the upward trend in the vacancy rate reflects sustained demand for existing homeownership within the region, as well as continued out-migration to Alberta.

Figure 1

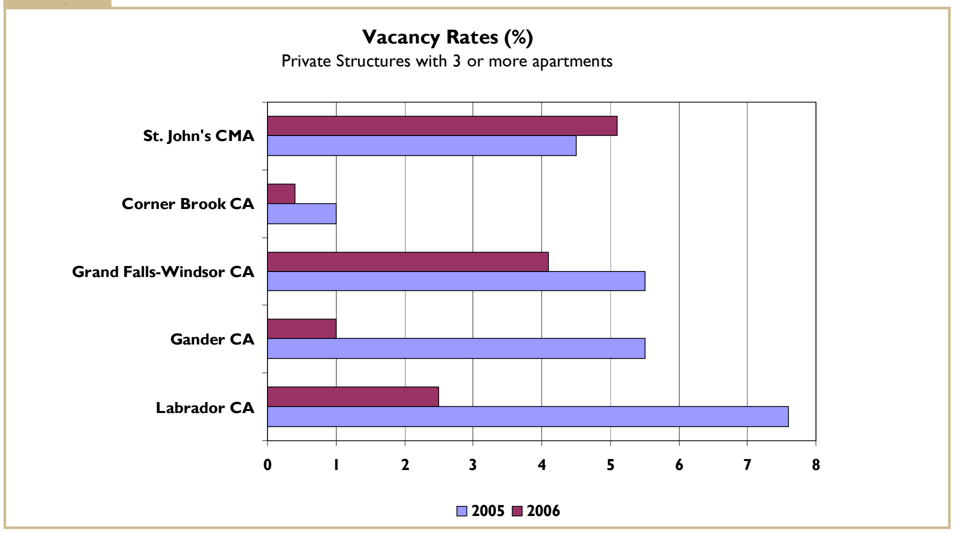
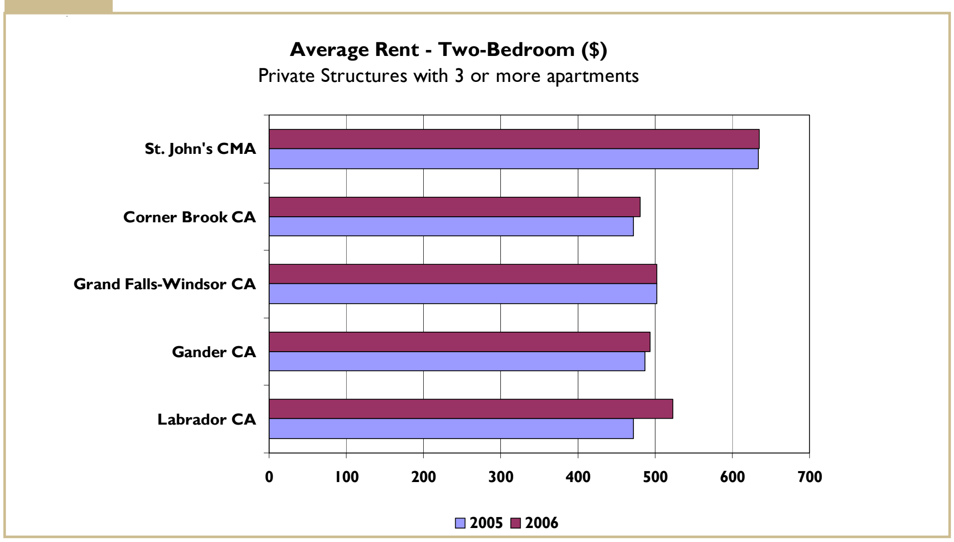


Figure 2



*Only centres with a population of 10,000 + are included in the survey. Detailed reports are available for CMAs.

Canada

60 YEARS ANS

CMHC SCHL
HOME TO CANADIANS

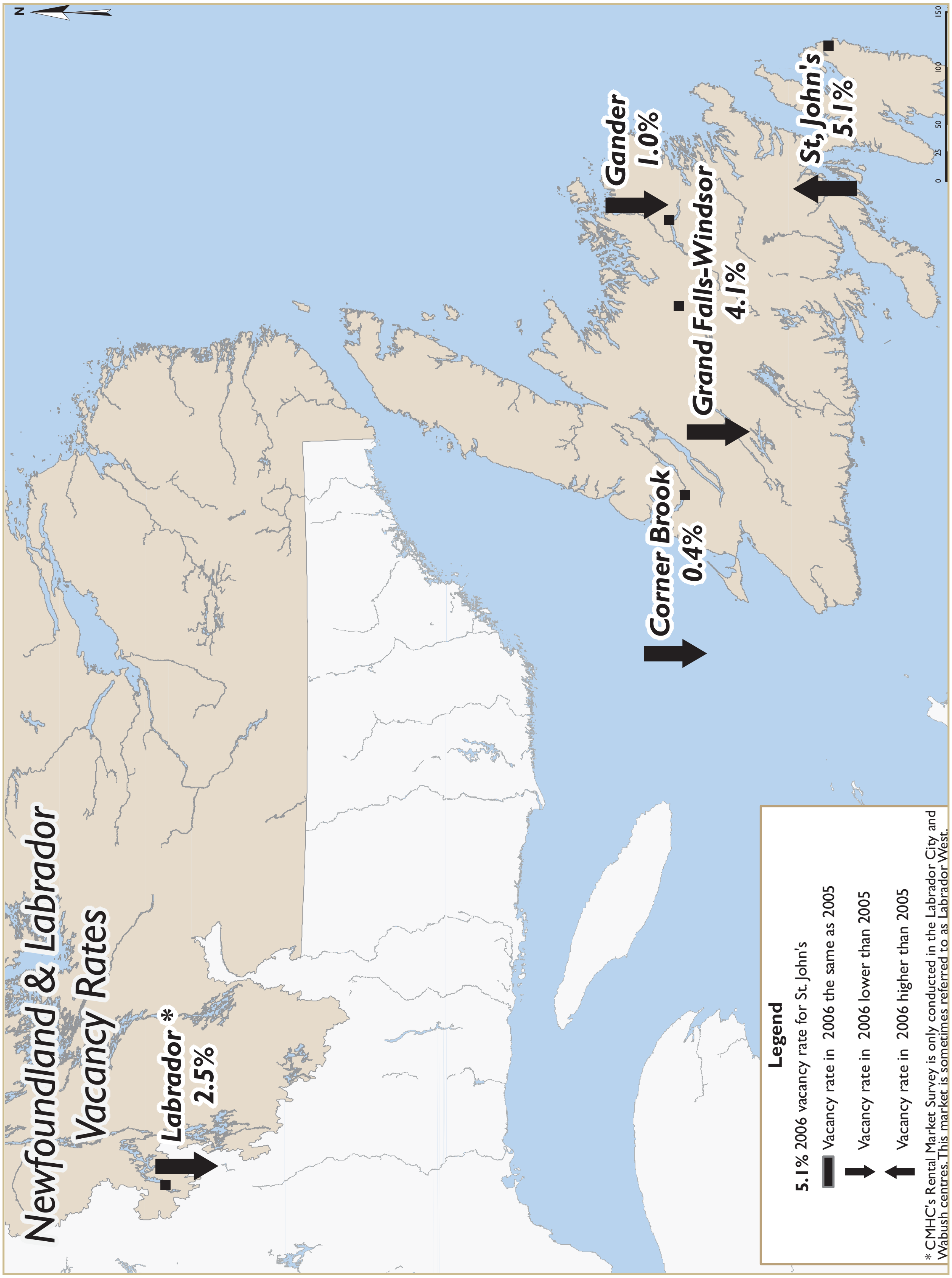
In Grand Falls-Windsor, the vacancy rate decreased to 4.1 per cent in October, down from 5.5 per cent last year. With an increase in hiring and continued expansion at IOC, Labrador CA experienced another major recovery in its rental market this year with the vacancy rate falling to 2.5 per cent from 7.6 per cent a year ago and 18.7 per cent in 2004. The Gander region continued to benefit from expansion in the retail sector, which helped to lower the vacancy rate to 1.0 per cent from 5.5 per cent last year. Corner Brook remained the tightest rental market in the province, with the vacancy rate dipping to 0.4 per cent from 1.0 per cent in 2005.

With the exception of Labrador CA, all other urban centres experienced flat to modest growth in rents. This year, CMHC is introducing a measure for the change in rents for existing structures. By focusing on existing structures, we can exclude the impact of new structures added to the rental universe between surveys and conversions and get a better indication of the rent increase in existing structures. For the St. John's CMA, the average rent for a two-bedroom apartment in existing structures increased by 0.4 per cent in October 2006 compared to a year ago.

The availability rate ranged from a high of 5.6 per cent in St. John's to a low of 0.4 per cent in Corner Brook. Gander fell to 1.0 per cent from 6.5 per cent a year ago, while Grand Falls-Windsor had a rate of 5.5 per cent. In Labrador CA, the availability rate dropped to 2.5 per cent compared to 8.4 per cent in 2005.

Rental Market Survey – now also done in the spring

Starting in 2007, CMHC will be conducting a rental market survey in the spring, in addition to the one conducted in the fall. The results of the spring survey will be published in June and will provide centre-level information on key rental market indicators such as vacancy rates and average rents. This will give users access to more timely information on market trends.


Newfoundland & Labrador
Vacancy Rates
Labrador *
2.5%
Corner Brook
0.4%
Grand Falls-Windsor
4.1%
Gander
1.0%
St, John's
5.1%
N
0
25
50
100
150
Legend
5.1% 2006 vacancy rate for St. John's
Vacancy rate in 2006 the same as 2005
Vacancy rate in 2006 lower than 2005
Vacancy rate in 2006 higher than 2005
* CMHC's Rental Market Survey is only conducted in the Labrador City and Wabush centres. This market is sometimes referred to as Labrador West.

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

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006
St. John's CMA	3.7 a	5.9 a	4.1 a	4.1 a	4.0 a	4.8 a	10.0 a	10.6 a	4.5 a	5.1 a
Corner Brook CA	0.0 a	0.0 a	0.6 a	1.3 a	1.4 a	0.0 a	0.0 a	0.0 a	1.0 a	0.4 a
Gander CA	**	**	6.2 a	1.3 a	5.6 a	1.0 a	2.7 a	0.0 a	5.5 a	1.0 a
Grand Falls-Windsor CA	**	**	6.3 a	3.2 a	5.0 a	4.1 c	8.8 a	3.0 a	5.5 a	4.1 b
Labrador CA	**	**	10.3 d	3.7 c	6.7 c	1.3 a	6.6 a	5.2 d	7.6 b	2.5 b
Newfoundland & Labrador 10,000+	**3.6** a	**5.7** b	**4.3** a	**3.6** a	**4.2** a	**3.6** a	**8.2** a	**7.9** a	**4.6** a	**4.1** 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 is not statistically reliable
n/u: No units exist in 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 links** 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	
	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006
St. John's CMA	472 a	487 b	539 a	542 a	634 a	635 a	647 a	655 a	589 a	591 a
Corner Brook CA	395 a	402 a	395 a	409 a	472 a	480 a	498 a	528 a	446 a	459 a
Gander CA	**	**	410 a	433 a	487 a	493 a	500 a	502 a	470 a	477 a
Grand Falls-Windsor CA	**	**	414 a	448 a	502 a	502 a	487 a	489 a	489 a	491 a
Labrador CA	**	**	408 a	483 b	472 a	523 a	487 a	557 a	454 a	519 a
Newfoundland & Labrador 10,000+	**461** a	**480** b	**507** a	**517** a	**578** a	**585** a	**595** a	**613** a	**550** a	**559** a

The following letter codes are used to indicate the reliability of the estimates (cv = coefficient of variation):
a – Excellent ($0 \le cv \le 2.5$), b – Very good ($2.5 < cv \le 5$), c – Good ($5 < cv \le 7.5$)
d – Fair (Use with Caution) ($7.5 < cv \le 10$)
** Data suppressed to protect confidentiality or data is not statistically reliable
n/u: No units exist in 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 links** for more details

1.1.3 Number of Private Apartment Units Vacant and Universe in October 2006 by Bedroom Type Newfoundland and Labrador

Centre	Bachelor			1 Bedroom			2 Bedroom			3 Bedroom +			Total		
	Vacant		Total	Vacant		Total	Vacant		Total	Vacant		Total	Vacant		Total
St. John's CMA	23	a	396	59	a	1,435	100	a	2,069	36	a	336	217	a	4,237
Corner Brook CA	0	a	24	2	a	150	0	a	293	0	a	37	2	a	504
Gander CA	**		**	2	a	156	4	a	418	0	a	35	6	a	610
Grand Falls-Windsor CA	**		**	1	a	37	9	c	217	1	a	33	12	b	290
Labrador CA	**		**	3	c	79	3	a	209	3	d	58	9	b	348
Newfoundland & Labrador 10,00	**24**	b	**427**	**67**	a	**1,857**	**115**	a	**3,207**	**39**	a	**499**	**246**	a	**5,989**

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 is not statistically reliable
n/u: No units exist in 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 links** 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			
	2005		2006		2005		2006		2005		2006		2005		2006		2005		2006	
St. John's CMA	5.8	a	5.9	a	4.9	a	4.5	a	5.9	a	5.4	a	10.0	a	11.2	a	5.9	a	5.6	a
Corner Brook CA	0.0	a	0.0	a	0.6	a	1.3	a	1.4	a	0.0	a	0.0	a	0.0	a	1.0	a	0.4	a
Gander CA	**		**		6.2	a	1.3	a	6.7	a	1.0	a	5.4	a	0.0	a	6.5	a	1.0	a
Grand Falls-Windsor CA	**		**		6.3	a	5.9	a	6.3	a	5.4	b	8.8	a	3.0	a	6.5	a	5.5	b
Labrador CA	**		**		10.3	d	3.7	c	7.7	c	1.3	a	6.6	a	5.2	d	8.4	b	2.5	b
Newfoundland & Labrador 10,000+	**5.8**	a	**5.7**	b	**4.9**	a	**3.9**	a	**5.7**	a	**4.1**	a	**8.4**	a	**8.3**	a	**5.7**	a	**4.5**	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 is not statistically reliable
n/u: No units exist in 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 links** for more 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 data collected for a structure depends on whether it is an apartment or a row structure. The survey collects market rent, available and vacant unit data for all sampled structures. Most RMS data contained in this publication refer to privately initiated apartment 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. This year, CMHC is also introducing a new 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 2005 and 2006 Rental Market Survey. 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 the Rental Market Report – Canada Highlights and in the narrative section of the local Rental Market Reports. 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.

METHODOLOGY FOR SECONDARY RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts a survey of the **Secondary Rental Market** (SRMS) in September to estimate the relative strengths in the secondary rental market which is defined as those dwellings not covered by the regular RMS. CMHC has identified the following dwelling components to be included in SRMS:

- Rented single-detached houses.
- Rented double (semi-detached) houses (i.e.. Two units of approximate equal size and under one roof that are situated either side-by-side or front-to-back).
- Rented freehold row/town homes.
- Rented duplex apartments (i.e.. one-above-other).
- Rented accessory apartments (separate dwelling units that are located within the structure of another dwelling type).
- Rented condominiums (can be any dwelling type but are primarily apartments).
- One or two apartments which are part of a commercial or other type of structure.

The SRMS has three components which are conducted in selected CMAs:

- A Household Rent Survey of all households to collect information about rents.
- A Condominium Apartment Rent Survey of households living in condominium apartments to collect information about rents.
- A Condominium Apartment Vacancy Survey of condominium apartment owners to collect vacancy information.

All three surveys are conducted by telephone interviews. For the condominium apartment vacancy survey, information is obtained from the owner, manager, or building superintendent and can be supplemented by site visits if no telephone contact is made. For the other two surveys, information is collected from an adult living in the household. All surveys are conducted in September, and the results reflect market conditions at that time.

CMHC publishes the number of units rented and vacancy rates for the condominium vacancy survey. For the condominium rent and household rent surveys, the average rent is published. A letter code representing the statistical reliability (i.e., the coefficient of variation (CV)) for each estimate is provided to indicate the data reliability.

In 2006, rented condominium apartments were surveyed in the following CMAs: Vancouver, Calgary, Edmonton, Toronto, Ottawa, Montréal and Québec. Other secondary rental market units were surveyed in Vancouver, Toronto and Montréal.

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.

All data presented in this publication is based on Statistics Canada's 2001 Census area definitions.

Acknowledgement

The Rental Market Survey and the Secondary Rental Market Survey could not have been conducted without the cooperation of the rental property owners, managers, building superintendents and household members 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 over 60 years.

Together with other housing stakeholders, we help ensure that Canada maintains one of the best housing systems in the world. We are committed to helping Canadians access a wide choice of quality, affordable homes, while making vibrant, healthy communities and cities a reality across the country.

For more information, visit our website at http://www.cmhc.ca/

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 now available for **free** on CMHC's website. You can now 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 http://www.cmhc.ca/housingmarketinformation

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

To subscribe to priced, printed editions of the national standardized product suite or regional specialty publications, call 1 800 668-2642.

NEW SURVEYS AND NEW REPORTS

We Consulted . . . Clients Spoke . . . We Listened

Announcing enhancements to CMHC's Market Analysis Products and Services

Clients told us

that Canada Mortgage and Housing Corporation (CMHC) products and services are their best source of housing market information. They rely on them for comprehensive and up-to-date facts and forecasts. Clients also pointed out ways to make our products even better.

- Secondary Rental Market Information
- Additional Spring Rental Market Survey
- Annual Renovation Expenditure Survey Covering 10 Major Centres
- Publications for Additional Centres

Find out More!

Starting December 2006 and throughout 2007, CMHC will introduce enhancements to benefit all market participants. To find out more visit our website regularly and subscribe to CMHC's FREE Market Analysis electronic products at: www.cmhc.ca/housingmarketinformation

64499_2006_A01