

R

ENTAL MARKET

REPORT

Kitchener

Canada Mortgage and Housing Corporation

Vacancy Rate significantly rises for second consecutive year in 2003

The low cost of ownership and a slow job market for those aged between 15 to 24 resulted in a sharp decline in demand for private rental apartments in 2003.

The rental apartment vacancy rate in the Kitchener CMA (census metropolitan area) eased significantly for the second consecutive year, moving above three per cent for the first time since 1993.

The vacancy rate in the private supply of apartment buildings which have at least three units available for rent was 3.2 per cent in October 2003 up from 2.3 per cent in October 2002, according to the **Rental Market Survey** conducted annually by Canada Mortgage and Housing Corporation (CMHC).

After three years with the vacancy rate at or below one per cent, the rental market eased considerably, moving from a low 0.7 per cent in October 2000 to

its current level. The decline in demand for rental accommodation spanned from the larger three bedroom or more units with the highest rent to all types of apartment units. The vacancy rate for a bachelor unit rose to 2.5 per cent in October 2003 from 1.0 per cent last year. In one and two bedroom units, vacancy jumped from 2.3 per cent in October 2002 to 3.0 and 3.4 per cent this year. The three or more bedroom apartment vacancy rate remained unchanged at 3.7 per cent.

Within the Kitchener area, the city of Waterloo had the lowest vacancy rate of the three major municipalities. The vacancy rate in Waterloo edged down from 2.1 per cent in 2002 to 1.6 per cent this year. The lower vacancy rate can be attributed to the impact of the increase in students looking for

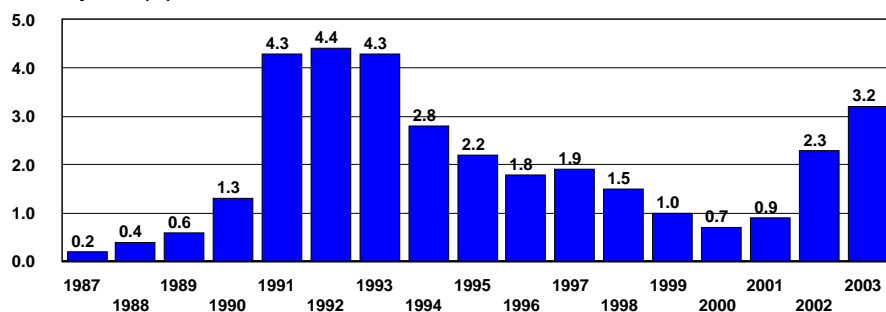
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Apartment Vacancy Rate up sharply in 2003

Vacancy Rate (%)



3+ Apartments
Source: CMHC's Annual October Rental Market Survey

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Ce rapport est aussi disponible en français
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accommodation in the municipality. For the Kitchener CMA as a whole, the impact of the double cohort was lower than initially expected. In the city of Cambridge, the vacancy rate moved to 2.6 per cent in October 2003 from 1.2



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per cent in 2002. The increase in vacancy was centred in one bedroom units up from 0.7 per cent last year to 3.4 per cent in October 2003.

Within the city of Kitchener, the vacancy rate ranged from 3.3 per cent in Kitchener West to 4.2 per cent in Kitchener Central. The influence of student demand for rental accommodation in Kitchener West due to the proximity to the two universities in Waterloo offset part of the overall decline in demand due to the move of tenants to ownership. In Kitchener East, vacancy jumped in two bedroom units built after 1986. With an average rent of \$879, the impact of lower costs of ownership would have been greater. As a result, the overall vacancy rate would be higher.

High Vacancy limits Rent Increases in 2003

The increase in vacancy in October 2003 had a mixed effect on the rise in rent levels in 2003. One and two bedroom units form the bulk of the rental apartment universe. The average two bedroom rent in October 2003 at \$754 and the one bedroom rent at \$646 increased 0.5% and 1.3% respectively well below the occupied unit guidelines set by the province. The lack of restrictions on the ability to raise the rents on vacant units did not impact rent increases in the majority of the market.

However, bachelor rents edged down 0.2 per cent this year after increasing 7.7% in 2002. In contrast, the average rent for three bedroom or more units rose 5.0% after experiencing a drop of 5.6% in rents in 2002. The low cost of ownership would impact this market the greatest as the incentive to move to ownership would be greatest in larger families paying the higher rent levels. However, for bachelor and three bedroom units, the smaller universe of units results in large swings in average rents from year to year. Weaker rental demand limited the ability of the market to experience large rent increases.

Within the Kitchener area, the highest rents were charged in the City of Waterloo. One bedroom rents in this area increased by only 1.3% while two

Highlights

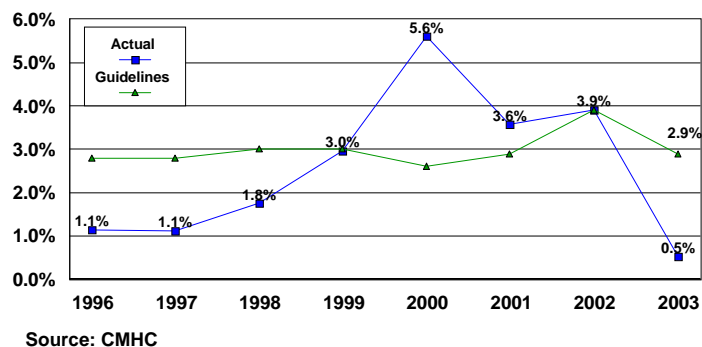
- ❖ The Kitchener CMA vacancy rate for private apartments increased to 3.2 percent in October 2003 from 2.3 percent a year earlier. By municipality, the city of Waterloo recorded the lowest vacancy rate at 1.6 percent, while Cambridge and Kitchener came in at 2.6 percent and 3.9 percent respectively.
- ❖ The total supply of private rental apartments in the CMA fell from 26,334 units in October 2002 to 25,995 units in October 2003.
- ❖ The average rent for a Kitchener CMA apartment rose for all bedroom types except bachelor units. While the average rent for a bachelor apartment jumped 7.7% in 2002, this year's survey revealed that the average rent on a bachelor unit edged down 0.2% to \$517. One bedroom apartment rents rose 1.3 percent to \$646 and two bedroom apartment rents edged up 0.5 percent to \$754.
- ❖ The Kitchener CMA private row-house rental market jumped sharply in October 2003 as the vacancy rate rose to 3.3 percent from 1.5 percent recorded in 2002.
- ❖ The October 2003 average rent for a Kitchener CMA 2 bedroom row-house was \$781, while a three bedroom + unit was \$896.
- ❖ The survey found that there were 7,981 assisted rental apartment and row units in the Kitchener CMA.

bedroom rents edged down 1.4% suggesting that landlords were influenced by the slower demand for rental accommodation as tenants faced with higher rents looked at the lower costs to ownership. In contrast, the lowest rents in the Kitchener area were charged in the city of Cambridge. Similar to high rent areas, one bedroom rents in this zone remained unchanged while two bedroom

rents rose a modest 2.0% in October 2003. With vacancy rates increasing to 2.6%, competition for tenants limited rent increase. Since the City of Kitchener forms approximately two thirds of the rental apartment market, its average rents drove movement in rents in the Kitchener CMA as a whole.

Rent increase well below occupied unit guidelines in 2003

Two bedroom rents, year-over-year increase
Kitchener CMA



Private Apartment Buildings
Private Apartment structures with 3 or more rental units

2003 Rank	Census Metropolitan Area (CMA)	Vacancy Rate (%)		2003 Universe	Vacant Units
		2002	2003		
1	Québec	0.3	0.5	76,046	399
2	Sherbrooke	1.8	0.7	24,943	166
3	Montréal	0.7	1.0	479,688	4,986
4	Victoria	1.5	1.1	23,717	255
5	Gatineau	0.5	1.2	19,433	238
6	Winnipeg	1.2	1.3	54,096	717
7	Trois-Rivières	3.0	1.5	16,681	249
8	Kingston	0.9	1.9	11,484	223
9	St. John's	2.7	2.0	4,496	89
9	Vancouver	1.4	2.0	107,493	2,165
11	London	2.0	2.1	38,825	797
11	Regina	1.9	2.1	11,477	238
12	Halifax	2.7	2.3	36,625	858
13	Abbotsford	2.0	2.5	4,114	101
14	St. Catharines-Niagara	2.4	2.7	16,169	435
15	Ottawa	1.9	2.9	60,045	1,744
15	Oshawa	2.3	2.9	11,246	328
16	Hamilton	1.6	3.0	42,213	1,269
17	Kitchener	2.3	3.2	25,996	838
18	Thunder Bay	4.7	3.3	5,390	180
19	Edmonton	1.7	3.4	66,332	2,259
20	Charlottetown CA*	2.2	3.5	3,734	31
21	Greater Sudbury	5.1	3.6	11,065	396
22	Toronto	2.5	3.8	302,481	11,484
23	Windsor	3.9	4.3	14,896	635
24	Calgary	2.9	4.4	43,245	1,908
25	Saskatoon	3.7	4.5	15,431	689
26	Saguenay	4.9	5.2	8,576	443
26	Saint John	6.3	5.2	9,512	494
Canada (1)		1.7	2.2	1,519,453	33,776

(1) weighted average of metropolitan areas surveyed. Abbotsford and Kingston were not CMAs in 2001.

*Census Agglomeration (CA)

Kitchener's vacancy rate remains above the Canadian average

At 3.2 per cent, the Kitchener Census Metropolitan Area (CMA) apartment vacancy rate remained above the Canadian metropolitan average of 2.2 per cent even though both the local rate rose and the national rate increased in 2003. The Kitchener CMA had the seventeenth lowest vacancy rate in Canada, and had the seventh lowest vacancy rate in Ontario. Of the major rental markets in proximity to Toronto, only St. Catharines-Niagara (2.7) and Oshawa (2.9) remained below the three per cent level. Kitchener (3.2), Hamilton (3.0) and Toronto (3.8), all recorded vacancy rates higher than the previous year. With an apartment vacancy rate of 0.5 per cent, Quebec has the distinction of having the tightest metropolitan rental market in Canada.

For all urban areas in Ontario, the province witnessed a large increase in its average vacancy rate to 3.5 per cent from the 2.7 per cent recorded in 2002. The 2003 increase in the Ontario apartment vacancy rate is the third consecutive year of growth. The northern Ontario CMAs of Sudbury and Thunder Bay with vacancy rates at 3.6 per cent and 3.3 per cent respectively did not record the highest metropolitan vacancy rate in Ontario for the first time in many years.

Summary and Forecast

The vacancy rate in the Kitchener metropolitan area's 25,995 private apartments in structures with three or more units available for rent moved above three per cent for the first time since 1993. The vacancy rate in October 2003 was 3.2% up from 2.3% in October 2002.

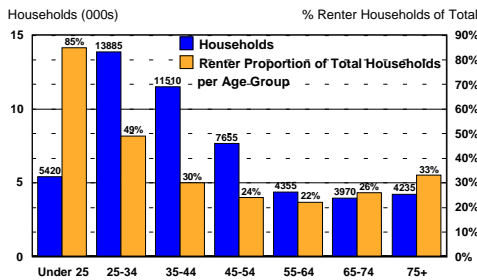
Following the 3.9% increase in the average two bedroom rent to \$750 in 2002, rents edged up only 0.5% to \$754 in 2003. The increase in 2003 was well below the provincial guideline level for occupied units after increases above or at that level in the previous two years.

In 2004, an improving economy; job growth and positive net migration will boost household formation. In addition, the remainder of the double cohort of post-secondary students will be arriving by September. Mortgage rate increases and further growth in average resale prices will boost the average cost of ownership by only \$65 in 2004 to \$961. Consequently, this increase is not expected to significantly slow the movement of households into ownership in 2004. As a result, demand for rental accommodation is expected to improve only marginally in 2004.

With 1,182 new rental units currently under construction in the Kitchener CMA, at least 970 units are expected to be added to the supply by October 2004. The increase in the supply of rental accommodation will fill the expected increase in demand for units. The vacancy rate will remain close to its present level at 3.0% in October 2004 with the average two bedroom rent rising 1.5% to \$765.

2001 Census Profile of Tenants

Majority of Kitchener CMA Tenants are between 25 to 44



Majority of tenants between 25 to 44

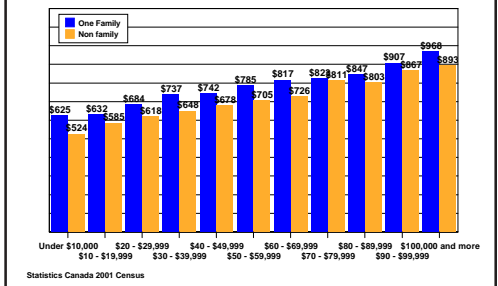
Approximately one third of all households in the Kitchener CMA rented their accommodation in 2001 according to Statistics Canada 2001 Census. Although 83% of households with the household head aged less than 25 rent their home, they form only 11% of all tenants. Almost half of all households (49%) aged between 25 to 34 years of age are renter households. An additional 30% between 35 to 44 years of age are renter. Generally ownership rates increase with age as households become more financially capable of making that initial downpayment. In the later years, the per cent of households that rent increases again reflecting the desire of some seniors for lower maintenance apartments.

Income Important in Renting

The median income of tenant households was \$33,541 in 2000. However, over one quarter of tenant households reported an average income below \$20,000. The low income levels can be attributed to the majority of tenants being young or non-family households with one income and limited time to build up job experience or assets. Over 18% of households reported a household income greater than \$60,000. Households in this income bracket were the type of tenants that benefited from the drop in mortgage rates to historic lows in 2002 and 2003.

Average rent paid rises from \$625 for a family with an income below \$10,000 to \$968 for a family with an income of \$100,000 or more. Non-family household

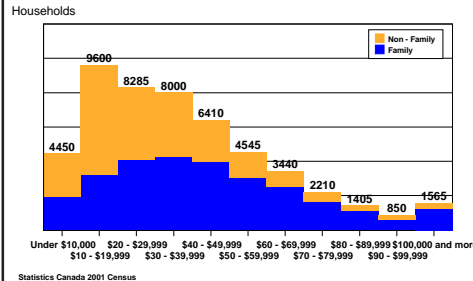
Rents rises with Income and Family type



rents followed a similar trend rising from \$524 to \$892. Part of the explanation for the lower rents paid by non-family households would be the smaller type of unit rented such as a bachelor or 1 bedroom unit with a lower average rent. Tenants at higher income levels would rent single detached or condo units that traditionally have a higher average rent.

As the population ages over the next ten years, the number of households in 25 to 34 age brackets will decline. In addition, as these age groups move into higher income levels, they will look to the ownership market. However, the baby boom echo age group is entering their early twenties and will boost rental in the under 25 age group. In addition, the large number of low income tenant households in the 35 to 44 age bracket suggest that rental demand in older non-traditional renter age groups will grow over the next decade.

Renters by Income and Family Type



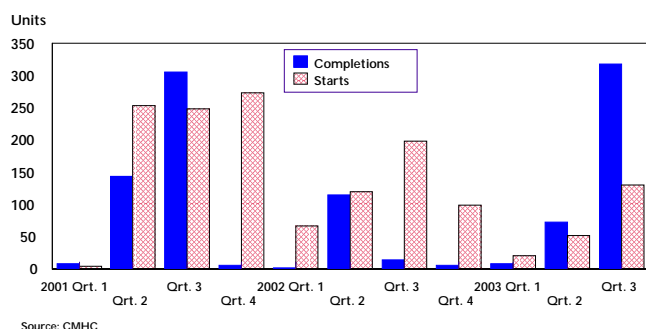
New supply

At the end of September 2003, there were 1,185 rental apartments under construction in the

Kitchener CMA. Although there were 301 rental apartment units started between the October 2002 and September 2003, there were only 404 completions as construction of large rental apartment buildings take more than a year to complete. The outlook for

additional supply is better as many of the rental apartment units started in 2001 and 2002 should be close to completion. The 318 apartment units completed in the third quarter of 2003 are not in the 2003 survey since they have not been completed for six months or more. A large number of the units currently under construction are expected to be completed in time for inclusion in the October 2004 Rental Market Survey.

Increased Rental Apartment Starts in 2001 and 2002 to boost Rental Supply into 2004



Economic overview

Between the October 2002 and October 2003 rental market surveys, total employment in Kitchener jumped by 1,700 jobs. Employment has edged up steadily to 239,900 jobs during this time period. In contrast, those aged 15-24, the primary renter aged households, were hit hard as employment numbers fell by 2,200. However, full time employment dropped only 660 jobs in this period. This weak employment picture negatively impacted demand for rental housing.

The most current annual net migration estimates (2000-2001) based on tax filer data showed that an additional 5,254 people made the Kitchener CMA their new home. Of these, 1,092 were in the 18 - 24 age group. With positive net migrant flows, the employment situation is anticipated to improve further as the

Canadian economic growth accelerates in 2004. Growth in rental demand is expected to be rebound moderately by October 2004.

Throughout 2003 mortgage rates have remained close to historic lows thereby making home ownership extremely attractive for many potential home buyers. Indeed, a flurry of sales activity in the resale market occurred in the summer of 2003 as mortgage rates fell after a short period of higher longer term rates. With the posted three year mortgage rate averaging 5.65 per cent in third quarter of 2003, a \$142,035 mortgage (Based on the average resale price of \$189,380) would carry a monthly payment of \$882 (assuming 25 year amortization). This amount drops even further as most consumers are able

to negotiate discounts off the big banks posted rates.

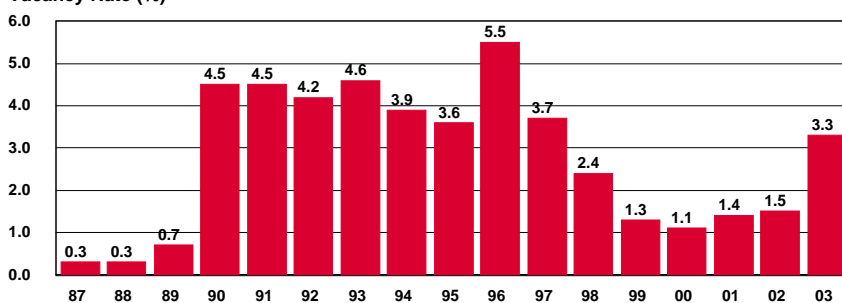
Mortgage rates will continue to remain low by historical standards in 2004. The one-year closed mortgage rate is forecast to be in the 4.50-5.25 per cent range over the next 12 months. The three and five year term mortgage rates will be in the 5.75-6.50 and 6.25-7.25 per cent ranges, respectively in the same period. However, there are risks to the forecasts such as the performance of the US economy and the movement of the Canadian dollar. The dollar has appreciated by about 20 per cent against the U.S. dollar in 2003. Despite the mortgage rate outlook for slightly higher rates, the number of renters expected to make the move to home ownership by October 2004, will not drop significantly.

Private Row Buildings with 3 or more rental units		
Census Metropolitan Area (CMA)	Vacancy Rate (%)	
	2002	2003
Sherbrooke CMA	0.0	0.0
Hull CMA	0.0	0.0
Trois-Rivieres CMA	0.0	0.0
St. John's CMA	**	0.0
Regina CMA	1.7	0.3
Quebec CMA	0.3	0.6
Greater Sudbury CMA	4.7	1.0
Winnipeg CMA	1.0	1.2
Charlottetown CA	1.3	1.4
Vancouver CMA	1.3	1.4
Montreal CMA	0.3	1.8
Ottawa CMA	1.8	1.8
Victoria CMA	1.3	2.1
Saguenay CMA	2.3	2.3
St. Catharines-Niagara CMA	3.1	2.6
Halifax CMA	4.4	3.0
Thunder Bay CMA	3.4	3.1
Saskatoon CMA	4.3	3.2
Hamilton CMA	1.2	3.3
Kitchener CMA	1.5	3.3
Kingston CMA	**	3.5
Edmonton CMA	1.3	3.9
London CMA	1.7	3.9
Calgary CMA	2.6	4.0
Oshawa CMA	2.0	4.1
Toronto CMA	3.0	4.3
Abbotsford CMA	**	4.8
Windsor CMA	3.6	7.0
Saint John CMA	**	**
Canada (1)	2.0	3.5

(1) weighted average of metropolitan areas surveyed. Abbotsford and Kingston were not CMAs in 2001.
*Census Agglomeration (CA)

Row Housing Vacancy Rate up sharply in 2003

Vacancy Rate (%)



3+ Row
Source: CMHC's Annual October Rental Market Survey

Private row vacancy rate up sharply

Kitchener's row housing vacancy rate rose from 1.5 per cent last year to 3.3 per cent in October 2003 reaching close to levels seen in the mid 1990's. While the vacancy rate for three bedroom+ units (3.8%) edged up in 2003, the vacancy rate for two bedroom (3.5%) jumped sharply. Low mortgage rates in the resale market continued to bring the cost of ownership down closer to the average rent of units built after 1986. As a result, more renter households in larger and newer row units would be more likely to make the move out of the rental market.

In Zone 1 (Kitchener East), location of 36 per cent of the row housing supply, the vacancy rate increased to 3.9% from 1.5% while in the second largest sub-market, Zone 4 (Waterloo City) the rate rose to 3.3% from 1.2%. Due to the weak market conditions, the average two bedroom rent increased 0.6% to \$781. However, three bedroom and larger units rents increased 4.2% to \$896.

The decline in the row rental universe offset the full impact of an increase in vacant units. The survey universe decreased 103 units to 3,082 whereas, the number of vacant units more than doubled to 102 vacant units. High vacancy is expected to limit rent increases in the row rental market by October 2004.

Kitchener CMA (Census Metropolitan Area) Zones based on 1996 Census Boundaries

Zone 1: Kitchener East: Highland Rd. West, Mill St., Victoria Ave (north), N. Dumfries boundaries (New Dundee Rd.) (south), Woolwich Twp. (Grand River), Cambridge, Hwy 401 (east), Trussler Rd. (west)

Zone 2: Kitchener Central: Victoria Ave (north), Highland Rd. West, Mill St. (south), Conestoga Pkwy (east), Lawrence Ave. (west)

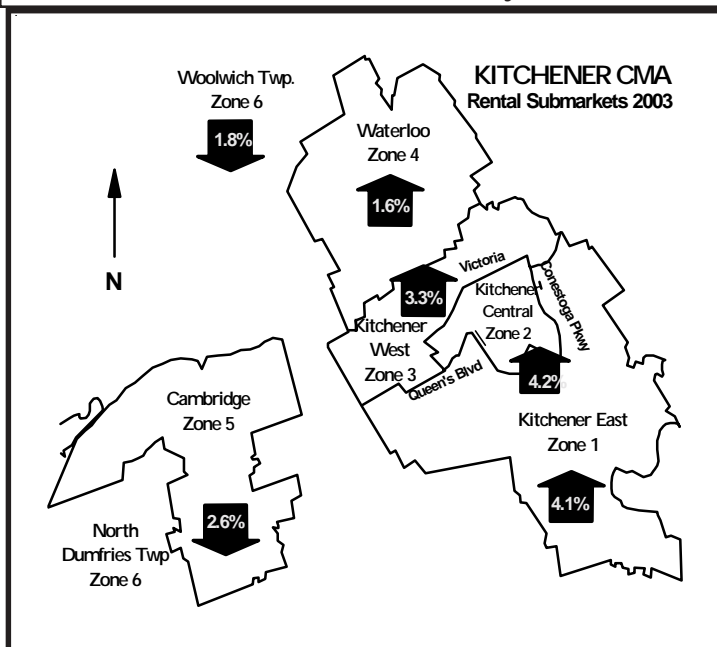
Zone 3: Kitchener West: Waterloo City boundaries (north), Highland Rd. West, Mill St., Victoria Ave (south), Woolwich Twp. (Grand River) (east), Wilmont Line/Wilmont Twp boundaries (west)

Zone 4: Waterloo: Woolwich Twp. boundaries (north), Kitchener City boundaries (south), Woolwich Twp. (Grand River) (east), Wilmont Line (west)

Zone 5: Cambridge: Woolwich Twp. boundaries (north), N. Dumfries Twp boundaries (south), Town Line Rd. (N. Dumfries Twp, Puslinch Twp) (east), Kitchener City boundaries (west)

Zone 6: Woolwich: Waterloo City, Cambridge City boundaries (south), Puslinch Twp (east), Regional Rd 16, Waterloo City, Kitchener City (west)

Zone 6: N. Dumfries: Kitchener City, (north), Cambridge City boundaries (east), Trussler Rd. (west)



How CMHC does the Survey

Canada Mortgage and Housing Corporation conducts the **Rental Market Survey** each year during the first two weeks of October. The purpose of the survey is to objectively measure the number of vacancies and the rents charged in rental buildings. The survey is conducted by telephone or site visit with information on rents obtained from the owner, property manager or building superintendent. Urban areas in Canada with populations over 10,000 are surveyed. New structures must be on the market for at least three months, i.e. completed by June of the survey year to be included. This publication is mainly about privately initiated apartments with three or more units available for rent. However, CMHC's survey also covers private row housing developments and publicly-assisted, non-profit and co-op row housing and apartment projects.

Survey Definitions

Vacancy: The unit must be both physically unoccupied and available for immediate rental.

Rent: This is the actual amount a tenant pays per month for their unit. A rental incentive, for example first month free, is not prorated over the 12-month lease. Extra charges for parking are not added to the rent figure. Utilities and services such as heat, light, hot water, cable and laundry facilities may be included in the monthly rent that the tenant pays. Rents are not adjusted for utilities to produce the weighted average rent figures shown in the report.

Rental apartment: Any building which is not ground-oriented and contains three or

more units available for rent. Owner-occupied unit(s) are not included in the rental buildings unit count. For example, an owner-occupied tri-plex would be excluded from the survey because it has less than three units available for rent. An owner-occupied four-plex would be counted as a three unit rental building.

Rental row house: Any building containing three or more ground-oriented rental units.

Condominiums: Registered condominium apartment and row developments are included in the rental universe where units are tenant-occupied and vacancies are available for rent. Contact us for clarification on how we survey developments that are

occupied by both homeowners and tenants.

Reliability

The comprehensive coverage of the **Rental Market Survey** ensures reliable results by bedroom type; structure size and height; age; and, for the six census-based zones which make up the Kitchener CMA (census metropolitan area). In 2003, private apartment vacancy rates were based on data gathered from 15,387 apartment units or 59.2 per cent of the 3+ apartment universe of 25,996 units. The private row housing sample included 2,584 units from a universe of 3,082 units. And vacancy data was collected from 61.8 per cent of the 7,981 unit publicly assisted universe of apartments and row units.

TABLE 1: APARTMENT VACANCY RATES

Vacancy rates by zone for private 3+ unit buildings (%) Kitchener CMA										
Rental Sub-market	All Units		Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +	
	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003
Zone 1 - Kitchener (East)	3.2	4.1	0.5	0.4	2.4	3.6	3.3	4.7	7.3	3.2
Zone 2 - Kitchener (Central)	3.0	4.2	1.8	6.4	3.5	4.0	2.7	4.0	2.6	**
Zone 3 - Kitchener (West)	1.7	3.3	1.5	2.5	1.2	2.7	2.1	3.9	**	**
Zones 1-3 Kitchener City	2.7	3.9	1.3	2.9	2.3	3.4	2.9	4.4	5.6	3.1
Zone 4 - Waterloo City	2.1	1.6	**	**	3.8	1.4	1.3	1.4	2.1	4.4
Zone 5 - Cambridge City	1.2	2.6	**	1.8	0.7	3.4	1.5	1.9	0.0	4.5
Zone 6 - Two Townships	0.3	1.8	0.0	0.0	0.9	**	0.0	**	**	N/A
Kitchener CMA	2.3	3.2	1.0	2.5	2.3	3.0	2.3	3.4	3.7	3.7

TABLE 2: APARTMENT STOCK AND VACANCIES

Private 3+ unit apartment universe and vacancies by zone Kitchener CMA										
Rental Sub-market	All Units		Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +	
	Vacant Units	Universe	Vacant Units	Universe	Vacant Units	Universe	Vacant Units	Universe	Vacant Units	Universe
Zone 1 - Kitchener (East)	365	8,802	1	295	99	2,714	246	5,175	20	618
Zone 2 - Kitchener (Central)	109	2,594	14	221	43	1,065	51	1,251	**	**
Zone 3 - Kitchener (West)	172	5,229	5	179	57	2,127	107	2,779	**	**
Zones 1-3 Kitchener City	647	16,624	20	695	199	5,907	404	9,204	25	819
Zone 4 - Waterloo City	84	5,180	**	**	22	1,574	43	3,108	19	436
Zone 5 - Cambridge City	103	4,018	2	123	45	1,305	46	2,368	10	221
Zone 6 - Two Townships	3	173	0	5	**	**	**	**	0	0
Kitchener CMA	838	25,995	22	885	266	8,850	495	14,783	54	1,476

TABLE 3: APARTMENT VACANCY RATES

Vacancy rates by age of building and sub-market (%) Kitchener CMA										
Rental Sub-market	All Units		Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +	
	Before 1986	1986 and later	Before 1986	1986 and later	Before 1986	1986 and later	Before 1986	1986 and later	Before 1986	1986 and later
Zone 1 - Kitchener (East)	4.0	5.6	0.4	N/U	3.7	2.7	4.6	6.3	3.2	0.0
Zone 2 - Kitchener (Central)	4.5	2.6	6.5	0.0	4.8	1.7	4.1	4.0	0.0	13.4
Zone 3 - Kitchener (West)	3.3	3.3	2.5	N/U	2.6	3.1	4.0	3.4	2.5	N/U
Zone 4 - Waterloo City	1.6	0.0	0.0	N/U	1.4	0.0	1.4	N/U	5.2	0.0
Zone 5 - Cambridge City	2.7	0.0	0.0	N/U	3.5	0.0	2.1	0.0	4.7	0.0
Zone 6 - Two Townships	1.8	N/U	0.0	N/U	0.0	N/U	3.1	N/U	N/U	N/U
Kitchener CMA	3.2	3.5	2.5	0.0	3.1	2.4	3.3	4.2	3.8	2.0

N/U = No units of this type in the Universe

** Information not released to ensure confidentiality and accuracy of survey results

TABLE 4: APARTMENT VACANCY RATES

Vacancy rates by size of building (%) Kitchener CMA											
No. of Rental Units in the Building	All Units			Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +	
	2000	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002
3 - 5 Units	1.5	1.8	1.5	**	**	2.9	1.1	1.5	2.0	**	**
6 - 19 Units	0.9	1.5	2.6	3.2	2.2	2.7	1.7	0.7	3.4	0.8	0.5
20 - 49 Units	1.0	1.1	0.9	2.2	0.0	2.0	0.9	0.5	0.8	2.6	2.2
50 - 99 Units	0.6	0.5	2.4	0.0	2.5	0.5	3.6	0.5	1.7	0.0	4.1
100+ Units	0.3	0.3	3.3	0.0	0.4	0.2	3.3	0.4	3.1	0.0	7.5
All Sizes	0.7	0.9	2.3	1.6	1.0	1.4	2.3	0.6	2.3	0.6	3.7

TABLE 5: APARTMENT VACANCY RATES

Vacancy rates by structure height (%) Kitchener CMA											
Building Height	All Units			Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +	
	2001	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003
1 - 4 Storeys	1.3	1.6	3.4	0.8	3.1	1.3	3.7	1.8	3.2	1.2	4.1
5 - 9 Storeys	0.4	1.6	3.7	1.9	2.1	1.5	2.6	1.3	4.2	6.1	5.4
10+ Storeys	0.3	3.7	2.6	0.5	**	4.7	1.8	3.0	3.1	5.3	2.6
All heights	0.9	2.3	3.2	1.0	2.5	2.3	3.0	2.3	3.4	3.7	3.7

TABLE 6: APARTMENT STOCK AND VACANCIES

Private apartment universe and vacancies by structure size Kitchener CMA										
No. of Rental Units in the Building	All Units		Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +	
	Vacant Units	Universe	Vacant Units	Universe	Vacant Units	Universe	Vacant Units	Universe	Vacant Units	Universe
3 - 5 Units	41	1,135	**	**	15	341	23	640	**	**
6 - 19 Units	271	6,529	12	321	107	2,265	139	3,656	13	287
20 - 49 Units	143	6,059	5	201	56	1,979	77	3,582	6	298
50 - 99 Units	179	4,357	1	50	32	1,427	137	2,676	9	203
100+ Units	203	7,916	**	**	57	2,838	119	4,229	24	593
All sizes	838	25,995	22	885	266	8,850	495	14,783	54	1,476

TABLE 7: APARTMENT STOCK AND VACANCIES

Private apartment universe and vacancies by building height Kitchener CMA										
Building Height	All Units		Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +	
	Vacant Units	Universe	Vacant Units	Universe	Vacant Units	Universe	Vacant Units	Universe	Vacant Units	Universe
No Storey Data	**	**	**	**	**	**	**	**	**	**
1 - 4 Storeys	463	13,641	18	579	168	4,519	251	7,902	26	642
5 - 9 Storeys	186	5,036	1	61	42	1,626	128	3,064	15	284
10+ Storeys	175	6,823	**	**	43	2,348	116	3,742	13	492
All heights	838	25,995	22	885	266	8,850	495	14,783	54	1,476

TABLE 8: APARTMENT RENTS

Average rents by bedroom type and sub-market area (\$) Kitchener CMA								
Rental Sub-market	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +	
	2002	2003	2002	2003	2002	2003	2002	2003
Zone 1 - Kitchener (East)	560	552	624	640	741	751	894	897
Zone 2 - Kitchener (Central)	453	473	615	631	742	776	964	**
Zone 3 - Kitchener (West)	540	530	659	645	774	753	**	**
Zones 1-3 Kitchener City	518	520	634	640	751	755	902	914
Zone 4 - Waterloo City	**	**	668	688	805	794	979	1066
Zone 5 - Cambridge City	**	506	622	622	688	702	722	775
Zone 6 - Two Townships	495	521	577	**	676	**	**	N/A
Kitchener CMA	518	517	638	646	750	754	898	943

TABLE 9: APARTMENT RENTS

Average rents by age of building, bedroom type and sub-market area(\$) Kitchener CMA								
Rental Sub-market	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +	
	Before 1986	1986 & Later	Before 1986	1986 & Later	Before 1986	1986 & Later	Before 1986	1986 & Later
Zone 1 - Kitchener (East)	552	N/U	636	743	739	879	896	1,084
Zone 2 - Kitchener (Central)	474	350	629	639	781	645	1,085	677
Zone 3 - Kitchener (West)	530	N/U	642	767	753	753	934	N/U
Zone 4 - Waterloo City	501	N/U	688	640	795	N/U	1,033	1,251
Zone 5 - Cambridge City	506	N/U	622	635	704	679	781	675
Zone 6 - Two Townships	521	N/U	563	N/U	640	N/U	N/U	N/U
Kitchener CMA	517	350	644	676	751	801	931	1,135

TABLE 10: APARTMENT VACANCY RATES

Vacancy rates by rent range (%) Kitchener CMA										
Rental Sub-market	All Units		Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +	
	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003
< \$350	**	**	**	**	**	**	N/U	**	N/U	**
\$350 - \$399	**	**	**	**	**	**	**	**	N/U	N/U
\$400 - \$449	0.0	3.3	0.0	6.3	**	**	**	**	N/U	N/U
\$450 - \$499	0.7	1.2	1.8	3.6	0.3	0.0	**	**	**	**
\$500 - \$549	0.7	1.0	**	2.0	0.6	0.8	1.1	**	**	**
\$550 - \$599	1.1	2.6	0.8	2.1	0.9	3.2	1.8	0.7	**	**
\$600 - \$649	0.9	2.4	**	**	0.9	3.5	1.1	0.2	**	**
\$650 - \$699	1.9	3.4	**	**	3.3	4.0	1.2	2.9	**	**
\$700 - \$749	2.4	3.9	**	**	2.4	2.2	2.5	4.9	0.0	**
\$750 - \$799	1.9	3.9	N/U	**	3.8	3.6	1.6	3.9	**	**
\$800 - \$849	3.1	3.0	N/U	N/U	**	**	1.9	3.4	2.2	0.6
\$850 +	4.0	4.7	**	N/U	**	**	3.7	4.9	5.8	4.0

N/U = No units of this type in the Universe

** Information not released to ensure confidentiality and accuracy of survey results

TABLE 11: ROW-HOUSING VACANCIES AND SUPPLY

Vacancy rates (%) and rental stock by sub-market and bedroom type Kitchener CMA												
Rental Sub-market	Vacancy Rate						Rental Stock					
	All Units		2 Bedroom		3 Bedroom +		All Units		2 Bedroom		3 Bedroom +	
	2002	2003	2002	2003	2002	2003	Vacant units	Universe	Vacant units	Universe	Vacant units	Universe
Zone 1 - Kitchener (East)	1.5	3.9	0.8	6.0	1.9	3.1	43	1,102	20	338	23	752
Zone 2 - Kitchener (Central)	**	0.0	**	**	**	**	0	74	**	**	**	**
Zone 3 - Kitchener (West)	2.5	1.8	**	**	**	**	5	282	**	**	**	**
Zones 1-3 Kitchener City	1.6	3.3	1.3	4.8	1.8	2.6	48	1,458	22	453	26	971
Zone 4 - Waterloo City	1.2	3.3	0.3	3.8	1.9	3.2	28	869	11	289	17	539
Zone 5 - Cambridge City	1.8	3.5	0.8	2.3	4.4	6.9	25	733	12	523	13	193
Zone 6 - Two Townships	**	0.0	**	0.0	**	**	0	22	0	18	**	**
Kitchener CMA	1.5	3.3	0.8	3.5	2.2	3.3	102	3,082	45	1,283	56	1,706

TABLE 12: AVERAGE RENTS IN PRIVATE ROW-HOUSE UNITS (\$)

Average rents by age of project, bedroom type and sub-market area (\$) Kitchener CMA								
Rental	2 Bedroom				3 Bedroom +			
Sub-market	2002	2003	Before 1986	1986 & Later	2002	2003	Before 1986	1986 & Later
Zone 1 - Kitchener (East)	807	851	843	915	835	863	824	1,018
Zone 2 - Kitchener (Central)	N/A	N/A	N/A	N/A	**	**	**	**
Zone 3 - Kitchener (West)	**	**	**	**	**	**	**	**
Zone 4 - Waterloo City	828	843	825	887	939	1,011	1,014	998
Zone 5 - Cambridge City	650	651	650	700	771	741	750	N/U
Zone 6 - Two Townships	**	583	583	N/U	N/A	**	**	N/U
Kitchener CMA	776	781	748	987	860	896	876	1,008

N/U = No units of this type in the Universe

** Information not released to ensure confidentiality and accuracy of survey results

Acknowledgement

The success of the **Rental Market Survey** depends on the co-operation of property owners and property managers in providing timely and accurate information to our survey enumerators. Thank you for your assistance. We sincerely hope that the results of our efforts together will be of benefit to those directly and indirectly involved in the rental housing industry.

TABLE 13: ROW-HOUSING

Vacancy rates (%), average rents (\$) and rental stock by age of project Kitchener CMA												
Completion Year	All units		2 Bedroom		3 Bedroom +		2 Bedroom		3 Bedroom +		All units	
	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	Vacant units	Universe
Pre-1940	**	2.3	0.0	0.0	0.0	4.6	**	563	743	782	1	52
1940-1959	**	0.0	0.0	0.0	0.0	0.0	**	640	807	900	0	26
1960-1975	2.2	3.9	1.0	3.5	3.5	4.2	719	722	848	891	57	1,468
1976-1985	0.7	3.3	0.4	6.0	1.0	1.4	812	829	854	855	19	580
1986 and later	1.0	2.6	0.7	1.5	1.3	3.2	1,017	987	969	1,008	25	955
Total	1.5	3.3	0.8	3.5	2.2	3.3	776	781	861	896	102	3,082

TABLE 14: PRIVATE APARTMENT UNIVERSE

Apartment vacancies and universe by building age Kitchener CMA										
Completion Year	All Units		Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +	
	Vacant Units	Universe	Vacant Units	Universe	Vacant Units	Universe	Vacant Units	Universe	Vacant Units	Universe
Pre-1940	31	565	9	125	21	264	0	159	0	15
1940-1959	66	1,646	7	118	22	622	37	868	0	39
1960-1975	543	17,441	5	467	167	5,976	321	9,874	50	1,085
1976-1985	131	4,402	2	173	39	1,306	89	2,715	1	209
1986 and later	67	1,940	0	2	16	683	49	1,168	2	75
Total	838	25,995	22	885	266	8,850	495	14,783	53	1,423

TABLE 16: HISTORICAL APARTMENT VACANCY RATES AND RENTS

Historical Apartment Vacancy Rates and Average Rents by structure age Kitchener CMA: 1996-2003																	
	Completion Date	1996	1997	1998	1999	2000	2001	2002	2003	1996	1997	1998	1999	2000	2001	2002	2003
Bachelor	Before 1940	1.2	9.5	14.4	4.3	2.9	10.6	10.0	7.0	354	312	284	299	391	381	402	444
	1940-1959	6.4	3.5	4.4	1.3	3.3	0.0	0.0	5.6	358	372	355	394	403	438	438	462
	1960-1975	4.7	4.2	1.2	2.1	3.6	1.2	0.6	1.1	415	438	440	445	480	478	515	519
	1976-1985	1.7	0.0	4.5	0.0	0.0	0.0	0.0	1.2	472	479	504	499	569	587	622	609
	1986 and later	-	-	-	-	-	-	0.0	0.0	-	-	-	-	-	-	-	350
	Total	4.0	4.4	3.5	2.3	2.6	1.6	1.0	2.5	405	409	419	434	483	481	518	
One Bedroom	Before 1940	4.9	3.7	16.6	0.0	3.1	5.0	1.7	7.9	419	397	420	432	469	500	534	540
	1940-1959	3.8	2.5	0.5	1.8	1.6	1.9	1.6	3.6	433	451	449	456	488	491	530	538
	1960-1975	1.4	2.3	1.3	0.8	0.7	1.3	2.3	2.8	519	537	544	554	585	613	636	651
	1976-1985	2.1	1.6	0.6	0.5	0.1	1.2	3.0	3.0	575	574	588	600	642	651	680	685
	1986 and later	4.1	1.5	3.6	1.6	0.0	0.2	1.4	2.4	624	592	590	693	747	715	716	676
	Total	2.2	2.2	1.7	0.8	0.7	1.4	2.3	3.0	525	538	545	565	598	615	638	646
Two Bedroom	Before 1940	1.9	4.1	11.0	2.5	6.4	1.2	4.6	0.0	482	510	509	531	568	558	635	618
	1940-1959	5.4	3.2	2.7	1.3	0.5	1.2	3.2	4.2	508	535	548	557	601	609	625	659
	1960-1975	0.9	1.1	1.1	0.8	0.7	0.6	2.4	3.2	599	610	623	637	664	697	731	746
	1976-1985	1.8	3.1	1.5	0.8	0.4	0.3	1.4	3.3	670	679	696	703	753	766	789	803
	1986 and later	1.9	1.0	1.1	1.7	0.5	0.4	2.5	4.2	703	698	674	750	795	807	840	801
	Total	1.4	1.7	1.3	1.0	0.6	0.6	2.3	3.4	623	630	641	660	697	722	750	754
Three Bedroom+	Before 1940	0.0	0.0	0.0	0.0	10.5	0.0	18.9	10.4	540	655	525	735	639	1,379	783	572
	1940-1959	3.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	621	569	667	567	669	695	705	741
	1960-1975	1.2	1.5	1.8	0.9	0.7	0.6	3.6	4.4	729	731	752	771	804	918	878	935
	1976-1985	5.5	1.3	0.7	0.0	1.2	1.8	1.4	0.6	811	853	853	831	905	985	975	966
	1986 and later	2.2	0.0	0.0	0.0	0.0	0.0	6.2	2.0	817	852	918	1,097	927	1,271	1,079	1135
	Total	2.1	1.3	1.5	0.7	0.8	0.6	3.7	3.7	739	743	771	782	820	951	898	943
All Bedroom Types	Before 1940	3.4	4.8	14.7	1.4	4.4	4.2	3.8	5.5								
	1940-1959	4.7	2.8	1.7	1.5	1.2	1.4	2.2	4.0								
	1960-1975	1.2	1.6	1.2	0.8	0.7	0.9	2.4	3.1								
	1976-1985	2.0	2.6	1.2	0.7	0.3	0.6	1.8	3.0								
	1986 and later	2.5	1.1	1.6	1.6	0.4	0.3	2.4	3.5								
	Total	1.8	1.9	1.5	1.0	0.7	0.9	2.3	3.2								

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