



EAST FAX

RENTAL MARKET REPORT

NOVEMBER 26, 2001

Ontario

Canada Mortgage and Housing Corporation

Ontario's vacancy rate slightly higher

TORONTO, November 26, 2001 -- A slight increase in Ontario's average vacancy rate this year ended a streak of four consecutive years of declines. Ontario's vacancy rate in apartment structures with three units or more inched up to 1.7 per cent in October 2001 from 1.6 per cent a year ago. Bachelor and one bedroom rental units were responsible for the rate increase. The average vacancy rate in units with three bedrooms or more edged lower.

Seven of Ontario's 11 Census Metropolitan Areas (CMAs) have low or reasonably low vacancy rates below two per cent. Kitchener, Ottawa and Toronto are Ontario's hottest CMAs with two bedroom unit vacancy rates of 0.6, 0.8 and 0.8 respectively. Thunder Bay and Sudbury are the province's and Canada's coolest rental markets.

Ontario's average rent has outpaced inflation. The average rent for a two bedroom apartment rose by 4.1 per cent., more than double October's 1.9 per cent Consumer Price Index inflation rate. The most rapid rent increases were in markets with low vacancy rates -- Kingston, Ottawa and Toronto.

Three key factors are affecting rental demand: jobs, in migration and a growing young renter-aged population.

The employment story is that job creation in the province has stalled this year after a period of very rapid growth between 1997 and the end of 2000. This year's vacancy rates remain visibly lower and rent increases higher in those Ontario centres which had experienced the bulk of that job creation.

The migration story is that new arrivals tend to rent while becoming established in a new location. Net in migration to the province is high. Most of the migrants are coming from abroad. Some job seekers are coming from other parts of Canada too, but in smaller numbers than last year.

And finally, from the perspective of age, rental demand is receiving a boost from a growing renter aged population. The highest rental rates are among the youngest households. Ontario's younger aged population stopped shrinking and started growing again in 1996. Retirement aged households are on the rise and some movement back into rental occurs in that group as well.

Apartment Vacancy Rates	2000	2001
Bachelor	2.0%	2.2%
1 Bedroom	1.5%	1.7%
2 Bedroom	1.7%	1.6%
3 Bedroom and +	1.6%	1.4%
Total	1.6%	1.7%

Average Apartment Rents	2000	2001
Bachelor	\$609	\$623
1 Bedroom	\$717	\$747
2 Bedroom	\$829	\$863
3 Bedroom and +	\$1035	\$1084
Total	\$783	\$815

Apartment Units (2001)	Vacant	Total
Bachelor	910	41,771
1 Bedroom	4,112	245,501
2 Bedroom	4,667	282,864
3 Bedroom and +	598	42,281
Total	10,286	612,417

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Canada

1. Apartment Vacancy Rates

Apartment Vacancy Rates by Ontario's Census Metropolitan Areas and Bedroom Type

Area	Bachelor		One Bedroom		Two Bedroom		Three Bedroom +		Total	
	'00	'01	'00	'01	'00	'01	'00	'01	'00	'01
Hamilton CMA	4.3	2.7	1.9	1.3	1.2	1.2	1.4	0.8	1.7	1.3
Kingston CMA	1.9	3.5	1.4	1.2	2.3	1.6	0.7	0.0	1.8	1.5
Kitchener CMA	2.6	1.6	0.7	1.4	0.6	0.6	0.8	0.6	0.7	0.9
London CMA	3.0	3.1	1.9	1.3	2.4	1.8	1.5	1.2	2.2	1.6
Oshawa CMA	4.1	2.0	1.5	1.2	1.6	1.3	2.6	1.5	1.7	1.3
Ottawa CMA	0.3	0.3	0.2	0.9	0.2	0.8	0.7	0.6	0.2	0.8
St. Catharines-Niagara CMA	4.0	1.8	3.0	2.5	2.2	1.5	2.4	2.4	2.6	1.9
Sudbury CMA	16.7	17.4	8.7	6.0	6.3	4.0	7.9	6.1	7.7	5.7
Thunder Bay CMA	10.7	17.7	6.0	6.3	5.3	4.9	6.0	3.1	5.8	5.8
Toronto CMA	0.7	1.2	0.6	1.0	0.6	0.8	0.8	0.8	0.6	0.9
Windsor CMA	5.3	4.0	1.8	2.9	1.6	2.4	1.4	5.3	1.9	2.9

2. Average Apartment Rents

Average Apartment Rents by Ontario's Census Metropolitan Areas and Bedroom Type

Area	Bachelor		One Bedroom		Two Bedroom		Three Bedroom +		Total	
	'00	'01	'00	'01	'00	'01	'00	'01	'00	'01
Hamilton CMA	\$460	\$453	\$582	\$608	\$719	\$740	\$864	\$913	\$655	\$677
Kingston CMA	\$435	\$446	\$559	\$594	\$679	\$709	\$888	\$873	\$634	\$667
Kitchener CMA	\$483	\$481	\$598	\$615	\$697	\$722	\$820	\$951	\$665	\$691
London CMA	\$416	\$433	\$530	\$547	\$657	\$683	\$815	\$852	\$601	\$625
Oshawa CMA	\$522	\$542	\$684	\$692	\$778	\$799	\$879	\$903	\$755	\$766
Ottawa CMA	\$573	\$622	\$723	\$762	\$877	\$914	\$1056	\$1099	\$786	\$825
St. Catharines-Niagara CMA	\$405	\$424	\$545	\$569	\$653	\$680	\$727	\$761	\$610	\$635
Sudbury CMA	\$375	\$387	\$502	\$500	\$619	\$620	\$684	\$693	\$572	\$570
Thunder Bay CMA	\$379	\$375	\$527	\$529	\$654	\$657	\$802	\$819	\$605	\$605
Toronto CMA	\$683	\$695	\$830	\$866	\$979	\$1027	\$1165	\$1224	\$908	\$949
Windsor CMA	\$448	\$466	\$599	\$618	\$736	\$738	\$838	\$883	\$647	\$660