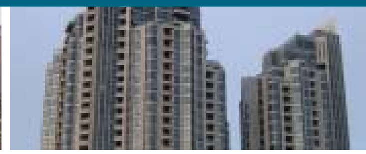
RENTAL MARKET REPORT
SHERBROOKE CMA

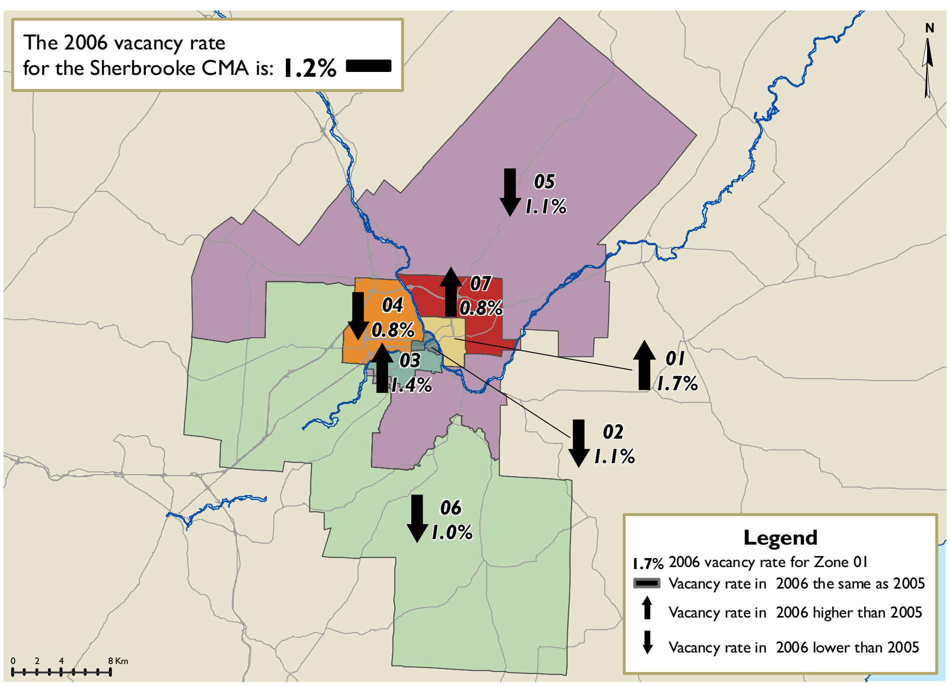

Canada Mortgage and Housing Corporation

Date Released: December 2006

Vacancy Rate Remains Unchanged

According to the results of the Rental Market Survey conducted by Canada Mortgage and Housing Corporation (CMHC) in October, the vacancy rate did not change in the Sherbrooke census metropolitan area (CMA) between 2005 and 2006. In fact, just like last year, the proportion of vacant units stood at 1.2 per cent. As shown in Graph 1, this break in the rise of the percentage of unoccupied dwellings is temporarily putting an end to the slight easing trend that took place on the market from 2003 to 2005.

Figure 1



IN THIS ISSUE

Canada

60 YEARS ANS

CMHC SCHL
HOME TO CANADIANS

Apartment Vacancy Rates (%) by Major Centres		
	2005	**2006**
Abbotsford	3.8	2.0
Calgary	1.6	0.5
Edmonton	4.5	1.2
Gatineau	3.1	4.2
Greater Sudbury	1.6	1.2
Halifax	3.3	3.2
Hamilton	4.3	4.3
Kingston	2.4	2.1
Kitchener	3.3	3.3
London	4.2	3.6
Montréal	2.0	2.7
Oshawa	3.3	4.1
Ottawa	3.3	2.3
Québec	1.4	1.5
Regina	3.2	3.3
Saguenay	4.5	4.1
Saint John	5.7	6.8
Saskatoon	4.6	3.2
Sherbrooke	1.2	1.2
St. Catharines-Niagara	2.7	4.3
St. John's	4.5	5.1
Thunder Bay	4.6	4.9
Toronto	3.7	3.2
Trois-Rivières	1.5	1.0
Vancouver	1.4	0.7
Victoria	0.5	0.5
Windsor	10.3	10.4
Winnipeg	1.7	1.3
Total	**2.7**	**2.6**

The rental market therefore remained tight in the Sherbrooke area, as only 375 dwellings were unoccupied out of a total stock of 31,170 apartments contained in privately initiated buildings with three or more housing units. It will therefore still be relatively difficult to find a dwelling over the months to come.

Among the CMAs across the province, Trois-Rivières, Québec and Sherbrooke are now the only ones where unoccupied rental apartments remain very scarce. Although for different reasons, the rental market conditions observed in these centres are similar to those prevailing in several metropolitan areas out West, namely, Winnipeg (1.3 per cent), Edmonton (1.5 per cent), Calgary (0.5 per cent), Victoria (0.5 per cent) and Vancouver (0.7 per cent).

New measure to estimate the growth in rents

The average rent for two-bedroom apartments, which account for 52 per cent of the stock, has now reached $515 per month.

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 Sherbrooke CMA, the average rent for a two-bedroom apartment in existing structures increased by 3.2 per cent in October 2006 compared to a year ago.

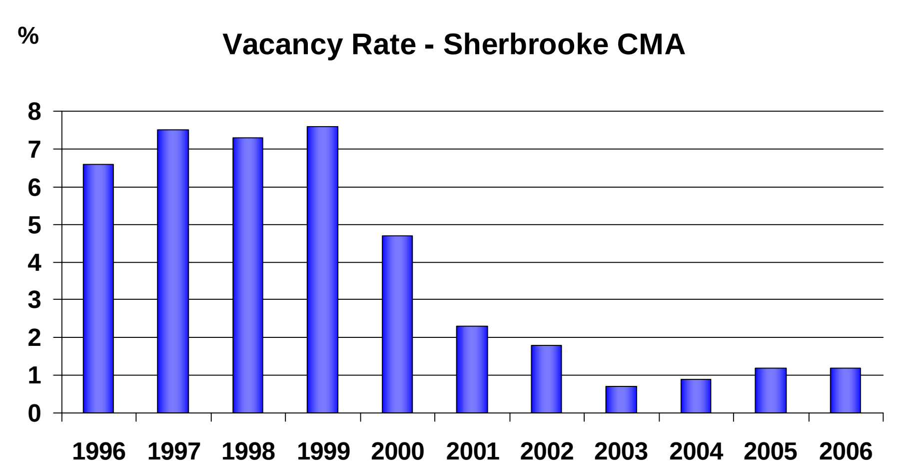
Newer buildings pose no problems

The shortage of unoccupied rental housing units in 1985-1986 was followed by a significant production of apartments, which soon led to a considerable accumulation of vacant dwellings. Although the tax incentives available at that time are no longer offered, many market observers are concerned about the possibility of overbuilding.

The vacancy rates do not go up for newer buildings, a category that would be among the first to be affected in the short term in the event of an overbuilding situation. In fact, for apartments built in the year 2000 or after, the vacancy rate was 0.8 per cent this past October, which is below the rate observed on the overall market, even though the average rent in these buildings exceeds the market rent by more than $164 per month.

Graph 1

Rental Market Remains Tight



Since construction costs are high, rents for new apartments are expensive. If there were an overproduction, the upscale segment would therefore be one of the first to be affected. The vacancy rates by rent range indicate that the $600 to $699, $700 to $799 and $800 or over ranges had vacancy rates similar to the overall market rate. There consequently does not appear to be any disproportionate accumulation of vacant expensive units and therefore, once again, any sign of overbuilding. In fact, it is more difficult to find tenants for units that rent for under $400 per month, mainly bachelor apartments (rate of 3.8 per cent), than for other types of dwellings available on the market.

The fact that vacancy rates decreased in the three upper rent ranges and increased in the other segments between 2005 and 2006 is a sign that the arrival of new units on the market leads to some tenant turnover. As a result, even if renters with a tight budget cannot rent expensive apartments, they eventually benefit from the increase in the stock, as the turnover effect occurs.

Different story for bachelor apartments

According to the latest survey results, bachelor apartments are the most difficult units to rent, with a vacancy rate of 3.5 per cent. In October, out of the 375 dwellings that were unoccupied, 92 were bachelor apartments. While units of this type accounted for 8 per cent of the stock, they represented 25 per cent of the vacant apartments. However, this situation apparently did not affect newer buildings, in which only 1.7 per cent of bachelor units remained unoccupied.

For the past few years, demand seems to have shifted toward larger units. People want space to work at home, relax or enhance their comfort. It could therefore be concluded that bachelor apartments are less appealing to more affluent renters. In addition, renters with thinner wallets could also be leaving bachelor units, since sharing larger dwellings reduces their costs. For senior renters, bachelor apartments may still be an interesting solution if the buildings in which they are contained offer a wide range of services. But even in this market niche, there appears to be less interest in bachelor units.

The situation for bachelor apartments is particularly pronounced in buildings with 20 to 49 units, for which the vacancy rate climbed to 5.2 per cent. In these mid-size structures, the services that could facilitate the rental of bachelor units are often lacking, given the absence of economies of scale.

Even with the apparent shift in demand toward larger units, it remained difficult to rent out apartments with three or more bedrooms in buildings with 50 to 99 units, as the vacancy rate for these dwellings reached 5.3 per cent. However, these units represent a small stock of about 200 units. Still, one has to wonder if buildings of this size, which generally offer several services, are the ideal environment for units of this type. And yet, the difference in rents is not very significant, as it costs $730 more per year to rent a three-bedroom apartment in a building of this size, compared to all other rental properties.

Immigration remains the driving force behind the rental housing demand

As shown in Graph 2, the arrival of foreign migrants has been dominating net migration since the early 1990s. The area has no longer been able to attract people from elsewhere across Quebec since job creation began slowing down and became concentrated in sectors requiring little training and offering low salaries. In 2004 and 2005, international migration was higher than net migration. During these years, respectively 1,256 and 1,172 foreign migrants came to the area. When they arrive, most of these people opt for the rental market and stay there for several years. After 15 years in their new country, just over 50 per cent of foreign migrants have become homeowners. This migration movement will continue over the coming years and will result in a demand for at least 600 additional housing units in 2007. This movement could even intensify if the government follows through on its intention to encourage part of the newcomers to head toward certain smaller centres, like Sherbrooke. Immigration will therefore remain the driving force behind the rental housing demand in 2007.

Demand for rental housing on the part of young people lacks vigour for two reasons. First, the number of households aged from 15 to 24 years, who mainly opt for renting, is on the decline, according to the forecasts of the Institut de la statistique du Québec (ISQ) and, second, for this same age group, full-time jobs have been on a downward trend since 2004. The decline in demand for rental housing attributable to this age group will be partly offset, however, by the growth in the seniors' client group, as indicated in Graph 8. Over the period from 2005 to 2007, the number of households aged 65 years or older should grow by 450 per year, again according to the ISQ. If 20 per cent of these households decided to turn to the rental market, this would bring about a demand for 90 new housing units. Since the annual decline in households aged from 15 to 24 years, most of whom become renters, is estimated at about 100, it can be seen that, in the short term, the seniors' client group will largely make up for the reduced rental housing demand resulting from this decrease.

Access to homeownership will remain strong next year, even though the decline that began in 2006 will continue on account of the deterioration in employment conditions and prospects, the growth in prices and the drop in consumer confidence. However, the less marked shift in clients will help limit the increase in the vacancy rate anticipated for next year.

Increase in percentage of vacant units for 2007

Between the 2005 and 2006 surveys, 431 new housing units were added to the housing stock. For the 2007 survey, it is expected that 675 new apartments will supplement the stock. Part of the increase in production comes from the construction of a 279-unit retirement home that will be ready for occupancy next summer. For the rest, the low percentage of unoccupied units has been inciting developers to start up new projects. The rapid increase in supply comes at time when demand for rental housing is on the rise thanks to the arrival of more immigrants. Also, the development of a new retirement home will stimulate demand for rental housing on the part of senior clients. Since vacant units are scarce in retirement homes, part of the latent demand will be expressed. Finally, the slowdown in the homeownership trend will continue and help strengthen the rental housing demand.

Overall, however, we should see an increase in the vacancy rate next year, as the rise in demand will be less than the growth in supply. The vacancy rate should reach 1.7 per cent. The market will therefore resume its easing trend, halted for the space of a year.

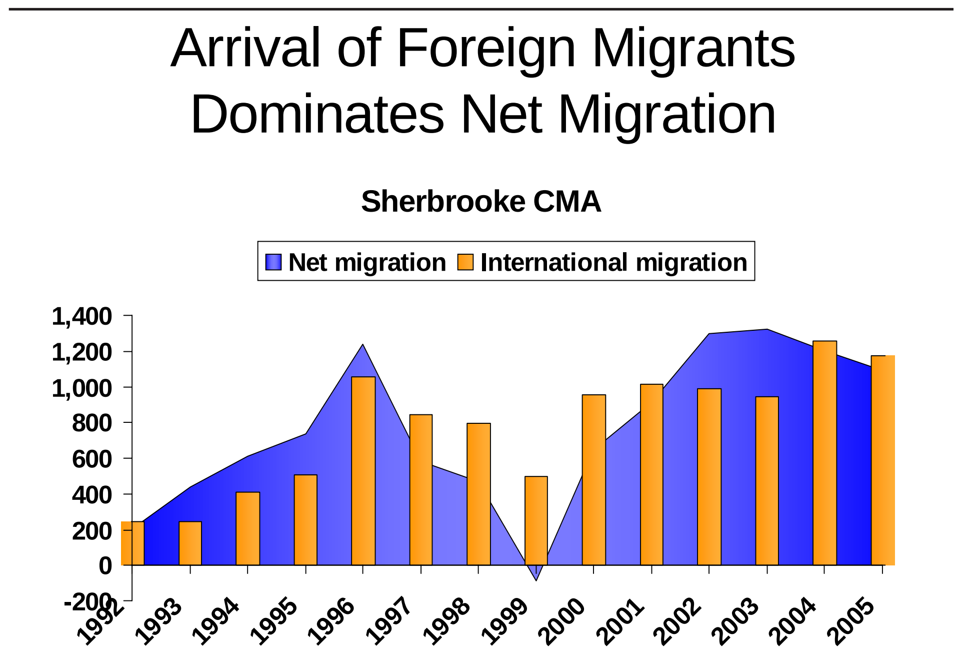
With the market having remained tight despite everything, and the easing trend having taken a break this year, rents are expected to rise more significantly in 2007 than this year. The average rent for a two bedroom apartment should be in the neighbourhood of 530 dollars in 2007.

Few renters will move

According to the results of the Rental Market Survey conducted in October, 1.4 per cent of the rental housing units were available on the Sherbrooke area market. The availability rate exceeded the vacancy rate by 0.2 of a percentage point. This rate takes into account not only vacant units but also units for which the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease. The availability rate gives a slightly broader idea of the short-term supply of unoccupied units.

The availability data seems to indicate that few renters will move in the short term, either to find another rental dwelling or to access homeownership. Around 60 renters will be affected by this movement. This low mobility may result from the call for caution issued by certain stakeholders since the major scarcity of available dwellings

Graph 2



that occurred in 2003. These people are effectively encouraging renters to be prudent before leaving an apartment because it is difficult to find another one. It should also be noted that the fall season is a calm period for renters to move in Quebec.

Based on the availability indicator, the Central district is the sector where renters show the greatest intention to move, with the most significant gap between the availability rate and the vacancy rate (0.6 of a percentage point). Located downtown where there is less tranquillity, older buildings and more poverty, this district has always attracted a more mobile client group. Conversely, in the Fleurimont and Ascot-Lennoxville zones, the availability rates are equal to the vacancy rates. Landlords in these districts therefore do not have to anticipate any turnover among their clients in the short term.

Sherbrooke Rental Housing Stock Review

Thanks to the cooperation of the city of Sherbrooke, we reviewed the rental housing stock in the Sherbrooke CMA, and over 5,000 apartments were added to our stock. These units are located in all market zones and fall into all dwelling categories (bachelor apartments and others), in proportions similar to those of the previous stock. As for structure size, it can be noted that a significant share of the apartments that were added are contained in buildings with three to five housing units. In fact, there are more than 3,000 such units. In the 2006 survey, structures with three to five units accounted for 27 per of the rental housing stock, compared to 18 per cent one year earlier. Even though the vacancy rate is lower in smaller buildings, the change in points had a negligible impact on the vacancy rate in 2006.

National rental vacancy rate inches down to 2.6 per cent

The average rental apartment vacancy rate in Canada's 28 major centres[1] decreased slightly by 0.1 of a percentage point to 2.6 per cent in October 2006 compared to last year.

Solid job creation and healthy income gains helped to strengthen demand for both ownership and rental housing. High levels of immigration were a key driver of rental demand in 2006, as was the increasing gap between the cost of home ownership and renting. These factors have put downward pressure on vacancy rates over the past year.

On the other hand, home ownership demand remained very strong, which can be seen from the near record level of existing home sales and the high level of housing starts in 2006. Strong home ownership demand continues to apply upward pressure on vacancy rates. Adding to this is the high level of condominium completions in some centres. Condominiums are a relatively inexpensive type of housing for renters moving to home ownership. Also, some condominium apartments are owned by investors who rent them out. Therefore, high levels of condominium completions have created competition for the rental market and have put upward pressure on vacancy rates.

The centres with the highest vacancy rates in 2006 were Windsor (10.4 per cent), Saint John (NB) (6.8 per cent), and St. John's (NFLD) (5.1 per cent). On the other hand, the major urban centres with the lowest vacancy rates were Calgary (0.5 per cent), Victoria (0.5 per cent), and Vancouver (0.7 per cent).

The highest average monthly rents for two-bedroom apartments in new and existing structures were in Toronto ($1,067) and Vancouver ($1,045), followed by Calgary ($960) and Ottawa ($941). The lowest average monthly rents for two-bedroom apartments in new and existing structures were in Trois-Rivières ($488) and Saguenay ($485).

By excluding the impact of new structures added to the universe since the last survey and conversions from the calculation, we can get a better indication of the rent increase in existing structures. Overall, the average rent for two-bedroom apartments in existing structures across Canada's 28 major centres increased by 3.2 per cent between October 2005 and October 2006. The greatest rent increases occurred in Calgary where rents were up 19.5 per cent and in Edmonton where rents increased by 9.9 per cent. Excluding Calgary and Edmonton, the average rent for two-bedroom apartments in existing structures was up only 2.4 per cent in 2006 compared to 2005.

In 2006, vacancy rates for rental condominium apartments were below one per cent in five of the seven centres surveyed (Vancouver, Calgary, Edmonton, Toronto, Ottawa, Montréal, and Québec). Rental condominiums in Vancouver and Toronto had the lowest vacancy rate at 0.4 per cent. On the other hand, Québec and Montréal registered the highest vacancy rates for condominium apartments at 1.2 per cent and 2.8 per cent in 2006, respectively. The survey showed that vacancy rates for rental condominium apartments in 2006 were lower than vacancy rates in the conventional rental market in all the surveyed centres, except Montréal. The highest average monthly rents for two-bedroom condominium apartments were in Toronto ($1,487), Vancouver ($1,273), and Calgary ($1,257). All surveyed centres posted average monthly rents for two-bedroom condominium apartments that were higher than average monthly rents for two-bedroom private apartments in the conventional rental market in 2006.

Also, the average monthly rent for a two-bedroom unit in the secondary rental market (dwelling types[2] other than private apartments such as duplexes and accessory apartments) was lower than the average rent in both the conventional and condominium apartment markets in Montréal and Vancouver. In Toronto, the average monthly rent for a two-bedroom unit in the secondary rental market was slightly higher than in the conventional rental market.

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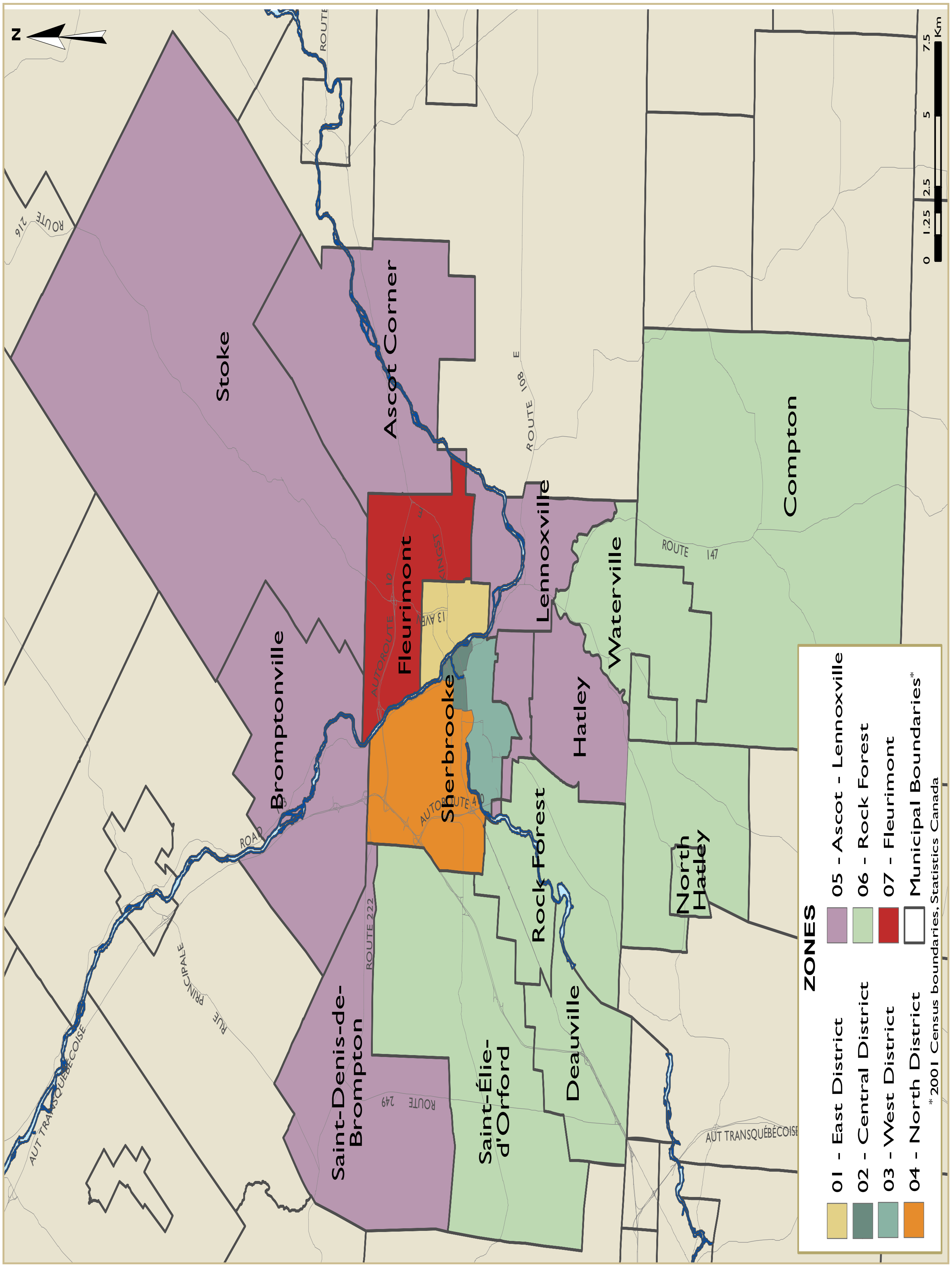
[1] Major centres are based on Statistics Canada Census Metropolitan Areas (CMAs) with the exception of the Ottawa-Gatineau CMA which is treated as two centres for Rental Market Survey purposes.

[2] CMHC's October Rental Market Survey, which covers private row and apartment structures with three or more units, is being expanded to include information on the secondary rental market. More specifically, for the Vancouver, Toronto and Montréal CMAs, the following types of units are now surveyed:
- rented single-detached houses;
- rented double (semi-detached) houses;
- rented freehold row/town houses;
- rented duplex apartments;
- rented accessory apartments;
- rented apartments which are part of a commercial or other type of structure containing one or two dwelling units.

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.


N
Stoke
Ascot Corner
Fleurimont
Lennoxville
Compton
Waterville
Bromptonville
Sherbrooke
Hatley
Rock Forest
North Hatley
Deauville
Saint-Élie-d'Orford
Saint-Denis-de-Brompton
ROUTE 216
ROUTE 108 E
ROUTE 147
ROUTE 222
ROUTE 249
AUTOROUTE 10
AUTOROUTE 410
13 AVE
RUE PRINCIPALE
AUT TRANSQUÉBÉCOISE
0 1.25 2.5 5 7.5 Km
ZONES
01 - East District
02 - Central District
03 - West District
04 - North District
05 - Ascot - Lennoxville
06 - Rock Forest
07 - Fleurimont
Municipal Boundaries*
* 2001 Census boundaries, Statistics Canada

RMS ZONE DESCRIPTIONS - SHERBROOKE CMA	
Zone 1	**East District** - North: City Limits; South: City Limits; East: City Limits; West: St-François River.
Zone 2	**Central District** - North: St-François River; South: Galt West and Wellington; East: St-François River; West: Belvedère and Queen North.
Zone 3	**West District** - North: Magog River and Galt West; South: City Limits; East: Wellington South; West: Magog River.
Zone 4	**North District** - North: City Limits; South: Magog River; East: St-François River and Queen North.
Zones 1-4	**Former Sherbrooke City**
Zone 5	**Canton of Ascot and City of Lennoxville** - Including: Ascot Corner, Bromptonville, Brompton Township and St-Denis-de-Brompton.
Zone 6	**Rock Forest** - Including: Deauville, North Hatley and Hatley Township.
Zone 7	**Fleurimont** - Including: St-Élie-d'Orford and Stoke.
Zones 1-7	**Sherbrooke CMA**

RENTAL MARKET REPORT TABLES

Available in ALL Rental Market Reports

Private Apartment Data:

1.1.1 Vacancy Rates (%) by Zone and Bedroom Type
1.1.2 Average Rents ($) by Zone and Bedroom Type
1.1.3 Number of Units - Vacant and Universe by Zone and Bedroom Type
1.1.4 Availability Rates (%) by Zone and Bedroom Type
1.2.1 Vacancy Rates (%) by Year of Construction and Bedroom Type
1.2.2 Average Rents ($) by Year of Construction and Bedroom Type
1.3.1 Vacancy Rates (%) by Structure Size and Bedroom Type
1.3.2 Average Rents ($) by Structure Size and Bedroom Type
1.4 Vacancy Rates (%) by Rent Range and Bedroom Type

Available in SELECTED Rental Market Reports

Private Apartment Data:

1.3.3 Vacancy Rates (%) by structure Size and Zone

Private Row (Townhouse) Data:

2.1.1 Vacancy Rates (%) by Zone and Bedroom Type
2.1.2 Average Rents ($) by Zone and Bedroom Type
2.1.3 Number of Units - Vacant and Universe by Zone and Bedroom Type
2.1.4 Availability Rates (%) by Zone and Bedroom Type

Private Apartment and Row (Townhouse) Data:

3.1.1 Vacancy Rates (%) by Zone and Bedroom Type
3.1.2 Average Rents ($) by Zone and Bedroom Type
3.1.3 Number of Units - Vacant and Universe by Zone and Bedroom Type
3.1.4 Availability Rates (%) by Zone and Bedroom Type

Available in the Quebec, Montreal, Ottawa, Toronto, Edmonton, Calgary and Vancouver Reports

Rental Condominium Apartment Data *

4.1.1 Rental Condominium Apartments and Private Apartments in the RMS - Vacancy Rates (%)
4.1.2 Rental Condominium Apartments and Private Apartments in the RMS - Average Rents ($)
4.2.1 Rental Condominium Apartments and Private Apartments in the RMS - Vacancy Rates (%) by Building Size
4.3.1 Condominium Universe, Rental Units, Percentage of Units in Rental and Vacancy Rate
4.3.2 Condominium Universe, Rental Units, Percentage of Units in Rental and Vacancy Rate by Building Size

Available in the Montreal, Toronto and Vancouver Reports

Secondary Rented Unit Data *

5.1 Secondary Rented Unit Average Rents ($) by Dwelling Type
5.2 Estimated Number of Households in Secondary Rented Units and Estimated Percentage of Households in Secondary Rented Units by Dwelling Type

*** New Surveys - Please refer to the Methodology section for additional information.**

1.1.1 Private Apartment Vacancy Rates (%) by Zone and Bedroom Type Sherbrooke CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006
Zone 1 - East District	1.6 c	3.4 d	0.5 a	1.7 b	0.7 a	1.0 a	0.5 b	3.8 d	0.7 a	1.7 b
Zone 2 - Central District	3.2 d	3.4 d	0.9 a	1.1 a	2.4 c	0.3 b	**	0.0 c	1.9 b	1.1 a
Zone 3 - West District	1.0 d	4.8 b	0.9 a	1.7 c	1.4 a	0.6 b	1.2 d	0.4 b	1.2 a	1.4 a
Zone 4 - North District	1.2 a	2.7 a	1.9 b	1.1 a	1.0 a	0.6 a	0.9 d	0.2 b	1.2 a	0.8 a
Former Sherbrooke City	1.7 b	3.7 b	1.0 a	1.5 a	1.1 a	0.7 a	1.0 a	1.1 a	1.1 a	1.3 a
Zone 5 - Ascot/Lennoxville	4.0 d	0.0 b	1.4 a	0.6 a	1.4 a	1.3 a	2.0 c	1.2 a	1.5 a	1.1 a
Zone 6 - Rock Forest	**	**	0.8 d	0.4 b	2.0 c	1.0 a	**	1.2 d	1.6 b	1.0 a
Zone 7 - Fleurimont	**	4.4 b	2.5 b	0.5 a	0.0 b	0.9 a	0.0 c	0.0 c	0.4 a	0.8 a
Sherbrooke CMA	**1.8** b	**3.5** b	**1.1** a	**1.3** a	**1.1** a	**0.8** a	**1.0** a	**1.1** a	**1.2** a	**1.2** 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 Zone and Bedroom Type Sherbrooke CMA

Zone	Bachelor				1 Bedroom				2 Bedroom				3 Bedroom +				Total			
	2005		2006		2005		2006		2005		2006		2005		2006		2005		2006	
Zone 1 - East District	304	a	341	a	393	a	404	a	485	a	495	a	592	a	577	a	458	a	467	a
Zone 2 - Central District	323	a	335	a	368	a	386	a	433	a	462	b	517	b	584	b	394	a	427	a
Zone 3 - West District	332	a	352	a	383	a	397	a	466	a	469	a	551	a	584	a	442	a	447	a
Zone 4 - North District	381	a	392	a	463	a	475	a	561	a	565	a	666	a	675	a	546	a	558	a
Former Sherbrooke City	337	a	354	a	406	a	415	a	504	a	510	a	608	a	618	a	477	a	485	a
Zone 5 - Ascot/Lennoxville	334	b	350	a	409	a	417	a	478	a	500	a	597	a	618	a	473	a	493	a
Zone 6 - Rock Forest	n/s		n/s		413	a	416	a	561	a	586	a	621	a	616	a	552	a	570	a
Zone 7 - Fleurimont	**		416	a	419	a	427	a	501	a	514	a	603	a	621	a	509	a	516	a
Sherbrooke CMA	**337**	a	**355**	a	**407**	a	**416**	a	**505**	a	**515**	a	**607**	a	**618**	a	**483**	a	**493**	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 Zone and Bedroom Type Sherbrooke CMA

Zone	Bachelor			1 Bedroom			2 Bedroom			3 Bedroom +			Total		
	Vacant		Total	Vacant		Total	Vacant		Total	Vacant		Total	Vacant		Total
Zone 1 - East District	20	d	601	37	b	2,151	37	a	3,732	29	d	777	124	b	7,261
Zone 2 - Central District	16	d	455	10	a	896	3	b	956	0	c	323	28	a	2,630
Zone 3 - West District	39	b	809	31	c	1,763	19	b	3,095	4	b	960	92	a	6,628
Zone 4 - North District	16	a	597	17	a	1,487	21	a	3,801	3	b	1,320	57	a	7,205
Former Sherbrooke City	90	b	2,463	94	a	6,297	80	a	11,583	36	a	3,380	301	a	23,724
Zone 5 - Ascot/Lennoxville	0	b	110	6	a	983	29	a	2,207	7	a	556	42	a	3,857
Zone 6 - Rock Forest	**		**	1	b	258	15	a	1,471	5	d	444	21	a	2,180
Zone 7 - Fleurimont	2	b	46	1	a	186	8	a	941	0	c	237	11	a	1,409
Sherbrooke CMA	**92**	b	**2,625**	**102**	a	**7,725**	**132**	a	**16,203**	**49**	a	**4,617**	**375**	a	**31,170**

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 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 Zone and Bedroom Type Sherbrooke CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006
Zone 1 - East District	1.6 c	4.0 d	0.6 a	1.9 b	1.2 a	1.0 a	0.6 a	3.8 d	1.0 a	1.8 b
Zone 2 - Central District	3.2 d	5.8 d	0.9 a	1.6 c	2.4 c	0.4 b	**	0.0 c	1.9 b	1.7 c
Zone 3 - West District	1.7 c	5.8 b	1.4 a	2.1 c	1.4 a	0.7 a	**	0.4 b	1.5 a	1.7 b
Zone 4 - North District	1.4 a	2.7 a	2.4 b	1.1 a	1.1 a	1.0 d	1.2 d	0.2 b	1.5 a	1.0 a
Former Sherbrooke City	1.9 b	4.6 b	1.3 a	1.7 a	1.3 a	0.9 a	1.2 a	1.1 a	1.4 a	1.5 a
Zone 5 - Ascot/Lennoxville	4.0 d	0.0 b	1.4 a	0.6 a	1.5 a	1.3 a	2.0 c	1.2 a	1.6 a	1.1 a
Zone 6 - Rock Forest	**	**	1.2 a	1.5 c	2.2 c	1.2 a	**	1.2 d	2.0 b	1.3 a
Zone 7 - Fleurimont	**	4.4 b	2.5 b	0.5 a	0.0 b	0.9 a	0.4 b	0.0 c	0.4 a	0.8 a
Sherbrooke CMA	**2.0** b	**4.5** b	**1.3** a	**1.6** a	**1.3** a	**1.0** a	**1.3** a	**1.1** a	**1.4** a	**1.4** 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

1.2.1 Private Apartment Vacancy Rates (%)
by Year of Construction and Bedroom Type
Sherbrooke CMA

Year of Construction	Bachelor				1 Bedroom				2 Bedroom				3 Bedroom +				Total			
	2005		2006		2005		2006		2005		2006		2005		2006		2005		2006	
Sherbrooke CMA																				
Pre 1940	3.9	d	6.0	d	0.5	b	**		**		0.3	b	**		**		1.6	c	1.4	a
1940 - 1959	1.2	d	**		2.6	c	1.9	c	1.1	d	**		0.6	b	0.5	b	1.6	c	1.7	c
1960 - 1974	1.3	a	4.6	c	0.7	a	1.0	a	1.3	a	0.8	a	1.6	c	0.3	b	1.1	a	1.2	a
1975 - 1989	1.1	a	1.9	a	1.0	a	1.2	a	0.7	a	0.9	a	0.9	a	1.9	c	0.8	a	1.2	a
1990 - 1999	3.4	c	3.8	c	0.6	a	0.3	b	0.4	b	0.4	b	0.2	b	0.6	b	0.6	a	0.7	a
2000+	1.6	a	1.7	a	2.5	c	0.9	a	2.9	c	0.8	d	1.4	d	0.5	b	2.5	c	0.8	a
Total	1.8	b	3.5	b	1.1	a	1.3	a	1.1	a	0.8	a	1.0	a	1.1	a	1.2	a	1.2	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 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

1.2.2 Private Apartment Average Rents ($)
by Year of Construction and Bedroom Type
Sherbrooke CMA

Year of Construction	Bachelor				1 Bedroom				2 Bedroom				3 Bedroom +				Total			
	2005		2006		2005		2006		2005		2006		2005		2006		2005		2006	
Sherbrooke CMA																				
Pre 1940	303	a	321	a	354	a	371	a	426	a	469	a	494	b	568	b	398	a	446	a
1940 - 1959	303	b	338	a	395	a	384	a	458	a	431	a	597	a	569	a	458	a	428	a
1960 - 1974	332	a	356	a	397	a	416	a	477	a	495	a	565	a	596	a	444	a	469	a
1975 - 1989	368	a	372	a	419	a	434	a	500	a	514	a	601	a	621	a	489	a	499	a
1990 - 1999	**		**		436	b	427	b	543	a	547	a	652	a	668	a	559	a	566	a
2000+	**		**		515	b	507	b	668	a	662	a	766	a	752	a	666	a	657	a
Total	337	a	355	a	407	a	416	a	505	a	515	a	607	a	618	a	483	a	493	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

1.3.1 Private Apartment Vacancy Rates (%) by Structure Size and Bedroom Type Sherbrooke CMA

Size	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006
Sherbrooke CMA										
3 to 5 Units	0.0 d	**	1.1 d	**	0.9 d	0.7 b	0.1 b	**	0.7 a	0.9 a
6 to 19 Units	2.7 c	3.4 d	0.9 a	1.5 c	1.2 a	0.5 a	1.2 a	0.9 a	1.2 a	1.0 a
20 to 49 Units	1.2 a	5.2 a	0.8 a	0.9 a	0.7 a	1.0 a	1.7 a	0.8 a	0.9 a	1.3 a
50 to 99 Units	1.6 a	1.8 a	2.8 a	3.3 a	2.6 a	2.3 a	2.4 a	5.3 a	2.5 a	2.9 a
100+ Units	2.3 a	2.6 a	1.8 a	1.3 a	3.6 a	1.7 a	**	**	2.1 a	1.7 a
Total	1.8 b	3.5 b	1.1 a	1.3 a	1.1 a	0.8 a	1.0 a	1.1 a	1.2 a	1.2 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

1.3.2 Private Apartment Average Rents ($)
by Structure Size and Bedroom Type
Sherbrooke CMA

Size	Bachelor				1 Bedroom				2 Bedroom				3 Bedroom +				Total			
	2005		2006		2005		2006		2005		2006		2005		2006		2005		2006	
Sherbrooke CMA																				
3 to 5 Units	274	b	314	b	370	a	370	a	510	a	509	a	629	a	624	a	505	a	502	a
6 to 19 Units	327	a	341	a	385	a	404	a	490	a	506	a	578	a	604	a	466	a	485	a
20 to 49 Units	332	a	355	a	407	a	424	a	493	a	510	a	581	a	606	a	462	a	479	a
50 to 99 Units	369	a	384	a	489	a	500	a	589	a	597	a	668	a	679	a	531	a	534	a
100+ Units	**		**		**		531	a	**		**		**		**		**		534	a
Total	337	a	355	a	407	a	416	a	505	a	515	a	607	a	618	a	483	a	493	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

1.3.3 Private Apartment Vacancy Rates (%) by Structure Size and Zone Sherbrooke CMA

Zone	3-5				6-19				20-49				50-99				100+			
	2005		2006		2005		2006		2005		2006		2005		2006		2005		2006	
Zone 1 - East District	**		**		0.4	b	1.4	a	0.4	a	0.7	a	5.0	a	8.4	a	**		**	
Zone 2 - Central District	0.7	b	0.0	c	2.9	c	1.4	d	1.6	a	2.3	a	**		**		**		**	
Zone 3 - West District	**		**		1.0	d	1.1	a	1.1	a	2.2	a	1.1	a	0.8	a	n/u		**	
Zone 4 - North District	0.0	c	0.4	b	1.1	a	0.0	c	0.6	a	1.0	a	2.2	a	1.7	a	3.7	a	2.7	a
Former Sherbrooke City	0.6	b	1.1	a	1.1	a	0.9	a	0.7	a	1.3	a	2.7	a	3.0	a	2.1	a	1.7	a
Zone 5 - Ascot/Lennoxville	**		0.0	c	1.8	c	1.9	c	1.5	a	0.8	a	**		**		n/u		n/u	
Zone 6 - Rock Forest	**		0.5	b	2.3	b	0.6	b	0.8	a	2.3	a	n/u		n/u		n/u		n/u	
Zone 7 - Fleurimont	0.7	b	0.0	c	0.0	a	0.3	a	0.4	a	1.7	a	n/u		n/u		n/u		n/u	
Sherbrooke CMA	**0.7**	a	**0.9**	a	**1.2**	a	**1.0**	a	**0.9**	a	**1.3**	a	**2.5**	a	**2.9**	a	**2.1**	a	**1.7**	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

1.4 Private Apartment Vacancy Rates (%) by Rent Range and Bedroom Type Sherbrooke CMA																				
Rent Range	**Bachelor**				**1 Bedroom**				**2 Bedroom**				**3 Bedroom +**				**Total**			
	2005		**2006**		**2005**		**2006**		**2005**		**2006**		**2005**		**2006**		**2005**		**2006**	
Sherbrooke CMA																				
LT $400	1.6	b	3.8	b	0.6	a	1.4	a	1.3	a	1.1	a	0.0	a	0.0	a	0.9	a	2.2	a
$400 - $499	1.9	c	3.0	c	1.1	a	1.3	a	0.8	a	0.7	a	0.6	a	1.0	a	0.9	a	1.0	a
$500 - $599	0.0	a	**		3.2	d	1.5	a	0.4	a	0.6	a	1.5	a	0.5	a	0.9	a	0.6	a
$600 - $699	n/s		0.0	a	**		5.9	c	2.9	b	1.4	a	0.4	a	0.9	a	1.7	b	1.2	a
$700 - $799	n/s		n/s		7.7	a	0.0	a	3.0	d	1.2	a	1.0	a	1.2	a	2.1	b	1.2	a
$800+	n/s		n/s		n/s		n/s		0.0	a	1.5	a	2.1	c	0.9	a	1.7	c	1.1	a
Total	1.8	b	3.5	b	1.1	a	1.3	a	1.1	a	0.8	a	1.0	a	1.1	a	1.2	a	1.2	a

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.

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