

RENTAL MARKET REPORT

St. John's CMA



Canada Mortgage and Housing Corporation

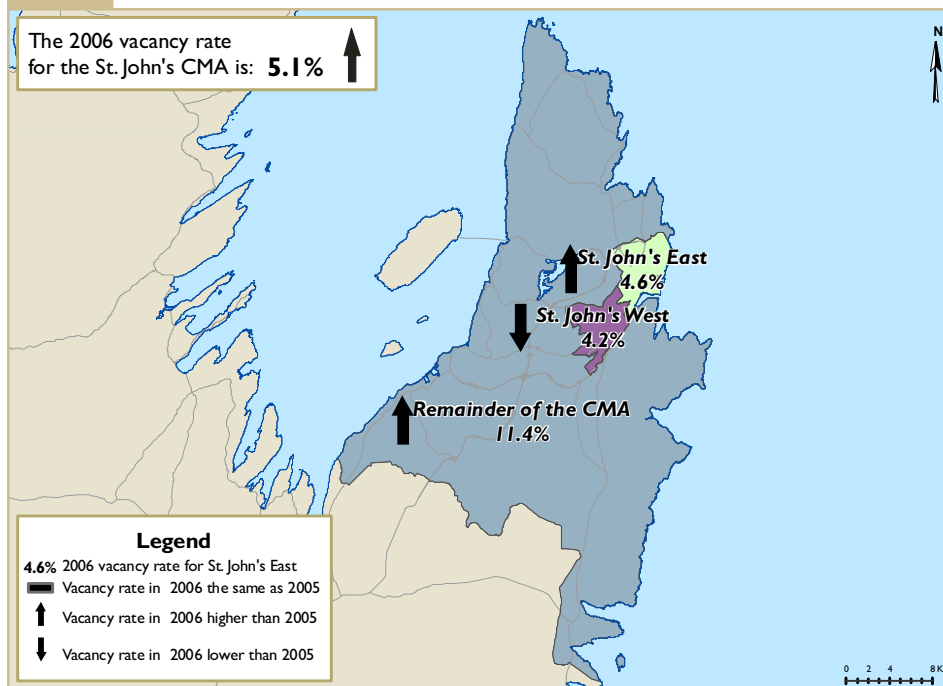
Date Released: December 2006

Metro Vacancy Rate Edges Higher

As expected, vacancy rates within the St. John's Census Metropolitan Area (CMA) edged higher in 2006. This marks the third consecutive year in which the vacancy rate increased and largely reflects the impact of an increase in the homeownership rate and out-

migration. Despite a decline in new home construction, a good supply of lower priced existing homes for sale, innovative mortgage products and relatively low interest rates, all continue to draw households away from renting and into homeownership.

Figure 1



In this Issue

- 1 Metro Vacancy Rate Edges Higher
- 3 Increase in Homeownership Rate Continues
- 3 Migration Patterns Impact Rental Demand
- 3 Basement Apartments Compete
- 4 Across the Board Increase in Availability Rates
- 4 Outlook for 2007

SUBSCRIBE NOW!

Access CMHC's Market Analysis Centre publications quickly and conveniently on the Order Desk at www.cmhc.ca/housingmarketinformation. View, print, download or subscribe to get market information e-mailed to you on the day it is released. New! CMHC's electronic suite of national standardized products is now available for free.

CMHC's rental market survey conducted during the first two weeks of October included the enumeration of 4,237 privately initiated apartment units within the St. John's CMA. The survey identified 217 vacancies within this rental stock, which translated into a vacancy rate of 5.1 per cent. This represented an increase of 0.6 percentage points from the 4.5 per cent rate recorded a year earlier and marked the third consecutive year in which the vacancy rate climbed. At 5.1 per cent, the vacancy rate reached its highest level since 1999.

With a vacancy rate of 4.2 per cent, St. John's west was the only zone to post a decline in the rate within the metro region. The vacancy rate for St. John's east increased to 4.6 per cent this year, while the remainder of the metropolitan area located outside the urban core, experienced the highest vacancy rate at 11.4 per cent. More affordable housing in outlying communities enabled renters to purchase homes. This is viewed as a contributing factor to the higher vacancy rate in these areas.

Throughout the St. John's region, vacancies were highest in three bedroom units at 10.6 per cent and lowest in one bedroom units at 4.1 per cent. Bachelor and two bedroom apartments recorded vacancy rates of 5.9 and 4.8 per cent, respectively.

Further analysis indicates that the private rental stock containing 3 to 5 units experienced the highest vacancy level in 2006 at 7.6 per cent. Buildings with 6 to 19 units recorded a vacancy rate of 6.5 per cent. Those with 20 to 49 units came in at 5.5 per cent. Larger structures containing 50 to 99 units recorded a vacancy rate of 4.0 per

cent, while buildings containing more than 100 units experienced the lowest rate of 2.8 per cent.

Rental rates were substantially unchanged from 2005 levels. Average monthly rents for all units were: \$487 for bachelor; \$542 for one bedroom; \$635 for two bedroom; and \$655 for three bedroom.

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.

As has been the case throughout the past two decades, limited returns related to economic rents remain a barrier to the construction

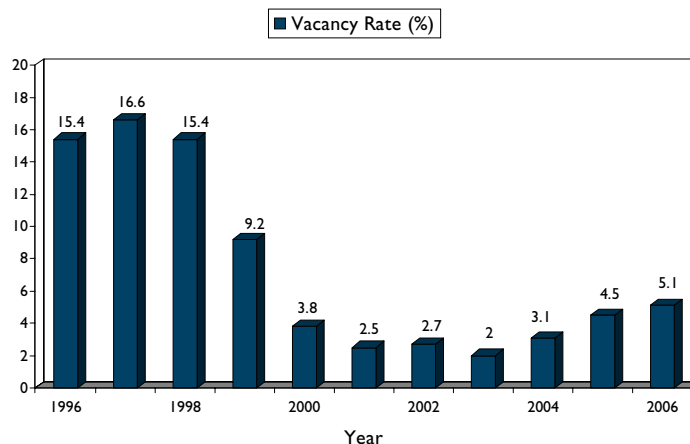
of new rental projects. However, with record high house prices and disposable income, the trend towards the construction of single-detached homes with basement apartments continued throughout 2006.

The performance of the rental market is driven by a number of factors. These factors have remained fairly consistent in recent years and involve both demand and supply influences. Key factors which influence rental demand over the short term include labour market performance, migration flows and increases in the homeownership rate. While CMHC's current Rental Market Survey covers structures containing three or more apartment units only, demand for this stock is also influenced by competition from other rental options such as one and two bedroom basement apartments, main floor apartments and condominium rentals.

The supply side of the rental market is impacted by additions to the

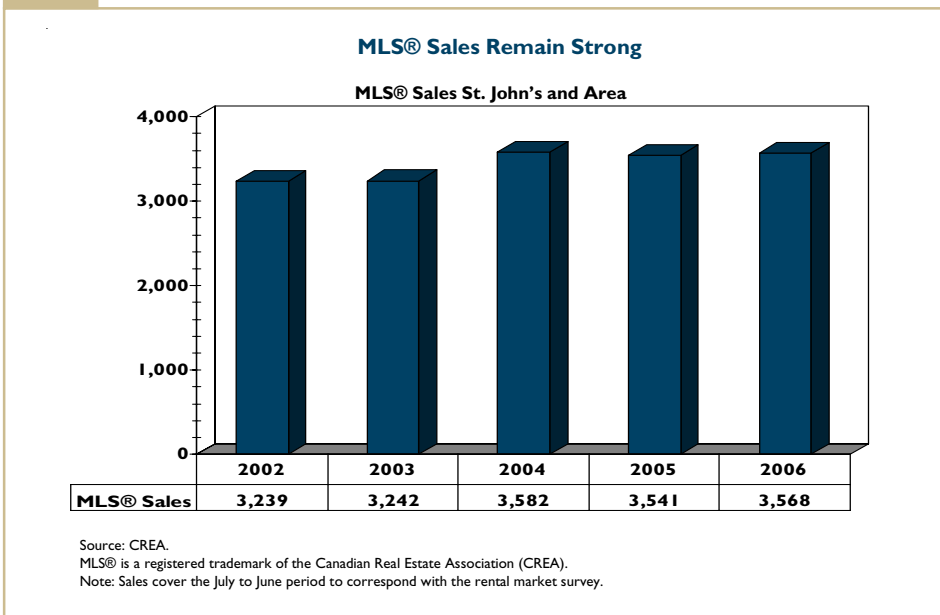
Figure 2

Apartment Vacancy Rate - St. John's CMA - Private Apartment Structures Containing Three or More Units



Source: CMHC

Figure 3



rental stock in the form of new construction or conversion of existing vacant space into apartment units. On the flip side, the supply of rental units can also be reduced by conversion activity when apartment units are converted to other tenure forms such as condominiums or hotels. Demolition of rental stock for alternate use or losses due to fire, also impact the supply of the rental stock.

The following analysis discusses the key factors which have influenced rental market performance within the St. John's CMA during 2006.

Increase in Homeownership Rate Continues

While new home construction was below 2005's pace, MLS® sales will likely set a new record for 2006. From a demographic perspective, the movement of the "echo" generation into their prime home buying years and on-going migration to the St. John's region continue to add to the

pool of potential homeowners. Also, relatively low interest rates, rising incomes and steady labour market performance continued to stimulate home buying demand throughout the year. These favourable conditions all continue to enable more renter households to access homeownership. The upward trend in the region's homeownership rate remains a major factor behind the increase in the vacancy rate in 2006.

Migration Patterns Impact Rental Demand

For various reasons, a certain percentage of all renters tend to rent for extended periods of time. However, for many households, renting is a temporary condition, whereby households save until such a time when homeownership is possible. In other words, these households are both willing and able to purchase a home.

Traditionally, some of the lost rental demand arising from renters moving into homeownership has been offset

by youth (under age 25) moving into rental accommodations within the St. John's CMA. As figure 4 indicates, approximately 90 per cent of younger households (primary maintainer under age 25) in St. John's are renters. This demographic represents a primary source of rental demand in the local rental market. Favourable home buying conditions in recent years has accelerated more renter households from this group into making the transition to homeownership. However, St. John's has not seen the normal level of youth migrating to the provincial capital to fill vacant units created as a result of the current level of out-migration. Consequently, the vacancy rate continued to rise in 2006 across all bedroom types, with the exception of one bedroom units.

Despite recent overall net-migration gains posted for St. John's, the region continues to lose more working-age people than it is attracting. The loss of the youth population is one contributing factor. Another contributing factor is the general migration "out-west" as more and more people are drawn to the appeal of living and working in oil-rich Alberta. As a result, out-migration is viewed as a key reason behind the rise in the vacancy rate in 2006.

Basement Apartments Compete

Starts of single-detached homes with basement apartments continues to be a popular choice among homeowners since the late 1990s. Existing home owners also continue to add apartments to generate income from otherwise unused basement space. Rising input

and development costs for new home construction are largely responsible for the trend in basement apartments, as home buyers require the rental income to afford new homes. Also, a rapidly aging population has prompted more families to include basement apartments for their parents and in-laws.

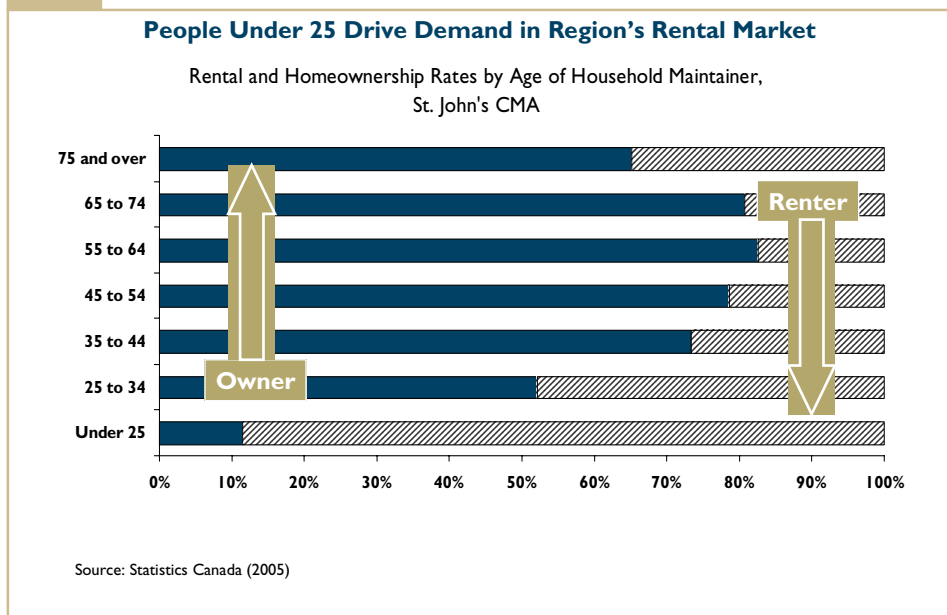
The on-going increase to the supply of basement apartments continues to impact rental demand within the St. John's region. Many of these basement units are of high quality, newer and located in preferred neighbourhoods, giving them a competitive advantage in the rental market.

As more of these basement apartment units become available, competition intensifies. During the first six months of 2006 an additional 62 basement apartment starts were recorded within the St. John's region. This increasing supply continued to place upward pressure on vacancy rates in larger rental buildings and has been identified as another reason behind the rise in the vacancy rate in 2006.

Across the Board Decrease in Availability Rates

Results from this year's Rental Market Survey indicate that availability rates varied for all bedroom types over the past year. The overall availability rate was 5.6 per cent this past October, down slightly from 5.9 per cent in 2005. Availability rates ranged from a low of 4.5 per cent for one bedroom units, to a high of 11.2 per cent for three bedroom units. Bachelor and two bedroom units posted

Figure 4



availability rates of 5.9 per cent and 5.4 per cent, respectively.

The availability rate includes actual vacant units as well as units for which the existing tenant has given notice, but a new tenant has not yet signed a lease. Availability rates give a slightly broader indication of trends in the supply of vacant rental stock over the short-term.

The overall spread between the vacancy rate and the availability rate of 0.5 percentage points indicates that the movement to home ownership will likely continue, albeit at a slower pace. This is particularly the case for three bedroom units, where availability rates have increased from 7.8 per cent in 2004, to 10.0 per cent in 2005, to 11.2 per cent in 2006. The availability rate for two bedroom units decreased 0.5 percentage points to 5.4 per cent over the past 12 months. While all types of renter households are buying homes, those households renting two or three bedroom apartments, typically having the highest rents, will shift to

homeownership if they can afford to do so.

As a result of relatively low interest rates, the gap between homeownership and renting has been favourable enough to support the movement to purchasing over renting, causing a corresponding increase in the homeownership rate. However, it should be noted that recent house price and mortgage rate trends have caused homeownership costs to increase faster than the increase in average rents.

Outlook for 2007

From 2003 to 2006, the St. John's CMA vacancy rate increased 3.1 percentage points, for an average increase of 1.0 percentage point per year. Much of the increase has been attributed to record home buying activity and the corresponding movement of renter households to homeownership. With MLS® sales and residential construction both forecast to decline modestly next

year, their influence on the vacancy rate will not be as significant as in past years. Although it is expected that there will be new projects completed and a weakening of net-migration to the St. John's region, the combined impact of these effects will result in the vacancy rate remaining at or near 5.0 per cent in 2007. This represents a flat year-over-year change compared to the 0.6 percentage point increase in 2006. Furthermore, expect modest-to-no gains in rents in 2007 for the St. John's CMA.

National rental vacancy rate inches down to 2.6 per cent

The average rental apartment vacancy rate in Canada's 28 major centres 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,

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

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 types² 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.

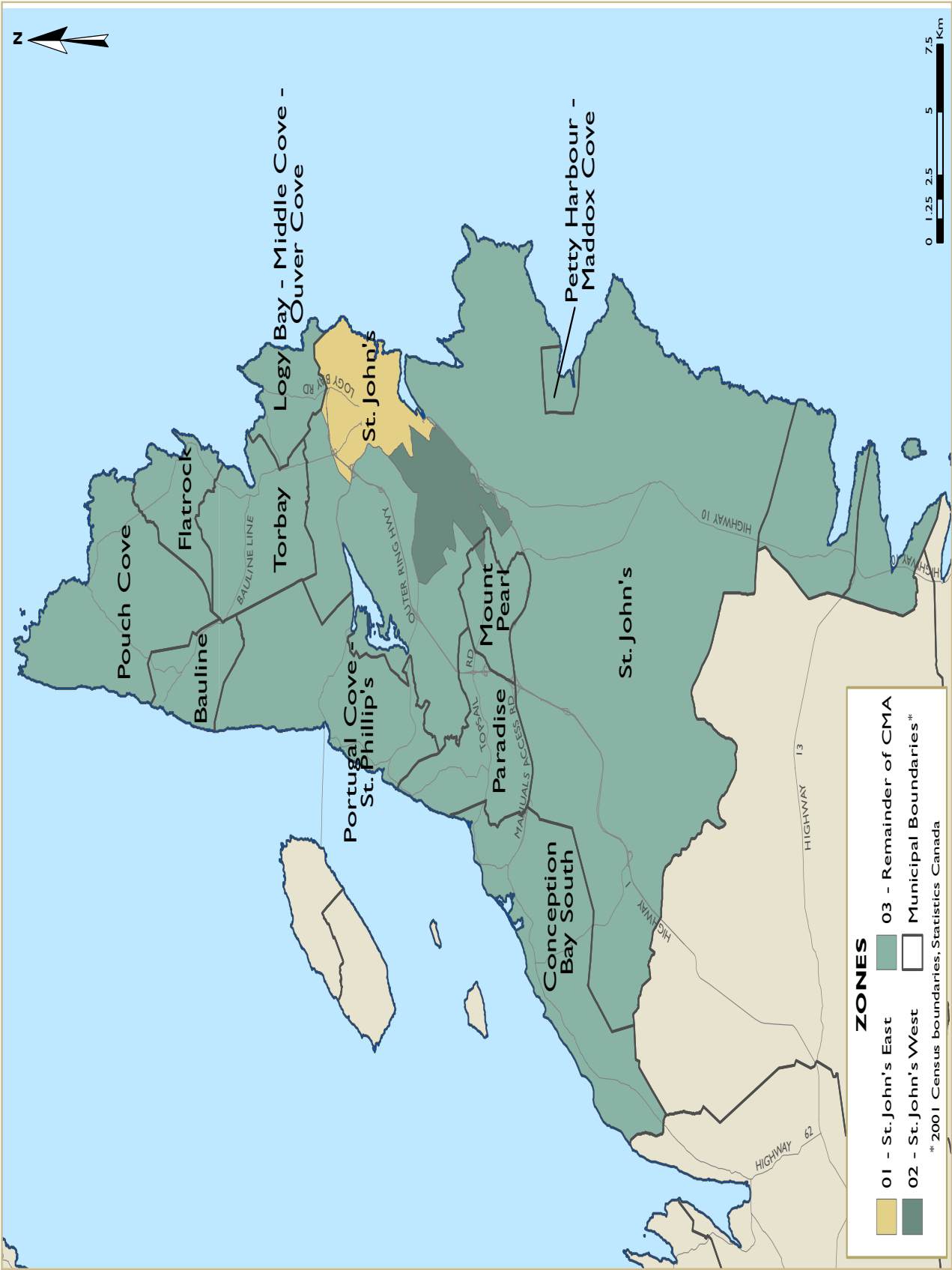
Rental Market Survey – now also done in the spring

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.

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.



RMS ZONE DESCRIPTIONS - ST. JOHN'S CMA	
Zone 1	St. John's East is the eastern section of the City of St. John's which begins at Sudbury Street to the south, then along Bennett Avenue to Freshwater Road to the north. From Freshwater Road the boundary runs northwest along Empire Avenue to Prince Philip Drive; east to Portugal Cove Road and north along Portugal Cove Road to Major's Path; east along Major's Path to Torbay Road; north on Torbay Road to Stavanger Drive and east on Stavanger Drive through Snow's Lane to Logy Bay Road. Includes all areas in the downtown section of the City of St. John's including Pleasantville, Quidi Vidi and the Outer Battery.
Zone 2	St. John's West is the western section of the City of St. John's commencing at the corner of Prince Philip and Allandale Road; west along Prince Philip Drive to Thorburn Road; north along Thorburn Road to the Outer Ring Road. South along Bonaventure Avenue to Elizabeth Avenue then west to the corner of Blackmarsh Road and Topsail Road. Bordered to the southwest by Brookfield Road at Pearltown Road. Also including both sides of Kenmount Road to the intersection of Mount Carson Avenue.
Zones 1-2	St. John's City
Zone 3	Remainder of Census Metropolitan Area (CMA) is the remaining portion of the Census Metropolitan Area including the City of Mount Pearl, Towns of Paradise, Conception Bay South, Logy Bay-Middle Cove-Outer Cove, Bauline, Bay Bulls, Flatrock, Petty Harbour-Maddox Cove, Pouch Cove, Torbay, Portugal Cove-St. Phillips, and Witless Bay. Also includes the remaining portion of the City of St. John's commonly referred to as Goulds.
Zones 1-3	St. John's 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 St. John's CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006
Zone 1 - St. John's East	2.7 a	6.7 a	4.1 b	6.0 a	1.6 a	2.6 a	6.6 a	7.8 a	2.9 a	4.6 a
Zone 2 - St. John's West	5.2 a	4.3 a	3.3 a	2.4 a	6.0 a	5.5 a	6.2 b	4.6 a	5.0 a	4.2 a
St. John's City (Zones 1-2)	3.8 a	5.7 a	3.7 a	4.1 a	3.8 a	4.0 a	6.4 a	6.4 a	3.9 a	4.4 a
Zone 3 - Remainder of Metro Area	**	14.5 a	8.4 a	3.7 a	5.8 a	11.0 a	24.1 a	28.0 d	9.4 a	11.4 a
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

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 St. John's CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006
Zone 1 - St. John's East	453 a	476 b	555 a	561 a	694 b	699 b	694 a	715 a	622 a	628 a
Zone 2 - St. John's West	503 b	507 b	536 a	536 a	596 a	596 a	655 a	644 a	571 a	569 a
St. John's City (Zones 1-2)	474 a	489 b	545 a	548 a	645 a	648 a	675 a	684 a	596 a	599 a
Zone 3 - Remainder of Metro Area	**	372 b	482 a	482 a	548 a	534 a	531 a	546 a	524 a	518 a
St. John's CMA	472 a	487 b	539 a	542 a	634 a	635 a	647 a	655 a	589 a	591 a

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

a – Excellent ($0 \leq cv \leq 2.5$), b – Very good ($2.5 < cv \leq 5$), c – Good ($5 < cv \leq 7.5$)

d – Fair (Use with Caution) ($7.5 < cv \leq 10$)

** Data suppressed to protect confidentiality or data 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 St. John's CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total
Zone 1 - St. John's East	15	a 226	38	a 624	24	a 922	12	a 148	88	a 1,920
Zone 2 - St. John's West	7	a 163	16	a 677	50	a 907	6	a 123	78	a 1,871
St. John's City (Zones 1-2)	22	a 389	54	a 1,302	73	a 1,829	17	a 271	167	a 3,791
Zone 3 - Remainder of Metro Area	1	a 7	5	a 134	26	a 240	18	d 65	51	a 446
St. John's CMA	23	a 396	59	a 1,435	100	a 2,069	36	a 336	217	a 4,237

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

I.1.4 Private Apartment Availability Rates (%) by Zone and Bedroom Type St. John's CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006
Zone 1 - St. John's East	5.5 a	6.7 a	5.3 a	6.5 a	3.3 a	3.4 a	6.6 a	8.5 a	4.4 a	5.2 a
Zone 2 - St. John's West	6.5 a	4.3 a	4.0 a	2.7 a	7.6 a	5.8 a	6.2 b	5.4 a	6.1 a	4.5 a
St. John's City (Zones 1-2)	5.9 a	5.7 a	4.6 a	4.5 a	5.5 a	4.6 a	6.4 a	7.1 a	5.3 a	4.9 a
Zone 3 - Remainder of Metro Area	**	14.5 a	8.4 a	3.7 a	9.2 a	11.9 a	24.1 a	28.0 d	11.3 a	11.8 a
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

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 St. John's CMA

Year of Construction	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006
St. John's CMA										
Pre 1940	9.2 b	14.1 a	4.5 b	6.8 b	1.5 a	5.2 a	6.2 b	5.7 a	3.3 b	6.2 a
1940 - 1959	0.0 a	22.0 a	4.4 a	7.8 a	**	8.6 a	14.7 a	22.9 a	7.5 b	11.0 c
1960 - 1974	1.8 a	6.5 b	1.3 a	0.6 a	3.4 b	5.0 c	10.8 c	30.4 a	2.8 a	5.1 b
1975 - 1989	4.8 a	2.9 a	5.2 a	3.7 a	5.0 a	4.7 a	11.4 a	3.6 a	5.5 a	4.2 a
1990+	**	**	**	4.6 a	4.9 c	1.0 a	**	**	5.4 c	1.7 c
Total	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

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

1.2.2 Private Apartment Average Rents (\$) by Year of Construction and Bedroom Type St. John's CMA

Year of Construction	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006
St. John's CMA										
Pre 1940	444 c	479 c	516 a	506 a	595 a	601 a	677 b	668 a	569 a	567 a
1940 - 1959	372 a	389 c	463 b	559 b	568 b	545 b	737 b	755 c	541 b	570 b
1960 - 1974	471 a	474 a	582 a	584 a	785 b	743 b	560 b	547 a	642 b	620 a
1975 - 1989	490 a	522 b	535 a	546 a	601 a	612 a	652 a	669 a	576 a	588 a
1990+	**	**	449 b	436 b	659 a	704 b	**	**	609 b	654 b
Total	472 a	487 b	539 a	542 a	634 a	635 a	647 a	655 a	589 a	591 a

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

a – Excellent ($0 \leq cv \leq 2.5$), b – Very good ($2.5 < cv \leq 5$), c – Good ($5 < cv \leq 7.5$)

d – Fair (Use with Caution) ($7.5 < cv \leq 10$)

** Data suppressed to protect confidentiality or data 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 St. John's CMA

Size	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006
St. John's CMA										
3 to 5 Units	0.0 ^d	8.4 ^a	8.9 ^b	7.4 ^a	2.9 ^b	5.1 ^a	7.8 ^c	16.4 ^a	5.8 ^b	7.6 ^a
6 to 19 Units	**	**	2.7 ^b	5.0 ^a	3.0 ^d	2.2 ^b	6.5 ^a	14.4 ^c	4.5 ^b	6.5 ^b
20 to 49 Units	10.0 ^a	15.0 ^a	4.0 ^a	6.5 ^a	4.6 ^a	5.3 ^a	2.9 ^a	1.7 ^a	4.5 ^a	5.5 ^a
50 to 99 Units	2.6 ^a	4.0 ^a	2.3 ^a	2.0 ^a	4.6 ^a	5.6 ^a	28.3 ^a	5.8 ^a	4.6 ^a	4.0 ^a
100+ Units	7.0 ^a	6.8 ^a	3.0 ^a	2.0 ^a	1.6 ^a	3.6 ^a	**	**	3.0 ^a	2.8 ^a
Total	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

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

I.3.2 Private Apartment Average Rents (\$) by Structure Size and Bedroom Type St. John's CMA

Size	Bachelor			1 Bedroom			2 Bedroom			3 Bedroom +			Total							
	2005	2006		2005	2006		2005	2006		2005	2006		2005	2006						
St. John's CMA																				
3 to 5 Units	378	b	381	a	463	a	452	a	551	b	537	a	649	b	678	b	518	a	508	a
6 to 19 Units	356	a	**		426	a	542	b	581	a	589	a	645	a	656	a	575	a	601	a
20 to 49 Units	469	a	472	a	529	a	531	a	602	a	602	a	657	a	641	a	590	a	588	a
50 to 99 Units	484	a	503	b	553	a	567	a	603	a	629	a	638	a	**		563	a	577	a
100+ Units	500	a	500	a	593	a	589	a	1,252	a	942	a	n/u		**		732	a	700	a
Total	472	a	487	b	539	a	542	a	634	a	635	a	647	a	655	a	589	a	591	a

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

a – Excellent ($0 \leq cv \leq 2.5$), b – Very good ($2.5 < cv \leq 5$), c – Good ($5 < cv \leq 7.5$)

d – Fair (Use with Caution) ($7.5 < cv \leq 10$)

** Data suppressed to protect confidentiality or data 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 St. John's CMA

Rent Range	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006
St. John's CMA										
LT \$400	**	5.3 d	2.3 c	**	0.0 a	**	n/s	n/s	2.3 b	10.2 d
\$400 - \$499	2.8 c	9.7 b	5.8 b	4.3 b	3.7 c	13.9 c	11.4 c	**	5.0 b	9.4 b
\$500 - \$599	3.8 c	4.4 d	4.0 b	2.7 a	5.3 b	5.0 b	3.9 d	**	4.7 a	4.6 b
\$600 - \$699	8.6 a	1.7 a	2.7 c	**	3.2 b	3.7 b	11.0 c	10.5 d	4.7 b	4.1 b
\$700 - \$799	n/s	n/s	4.2 c	13.7 d	2.5 c	**	**	0.0 a	3.2 c	6.5 c
\$800+	n/s	66.7 a	**	0.0 a	3.1 c	**	**	**	**	3.9 d
Total	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

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

3.1.1 Private Row (Townhouse) and Apartment Vacancy Rates (%) by Zone and Bedroom Type St. John's CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006
Zone 1 - St. John's East	2.7 a	6.7 a	4.0 b	6.2 a	1.6 a	2.5 a	7.5 a	7.6 a	3.0 a	4.6 a
Zone 2 - St. John's West	5.2 a	4.3 a	3.3 a	2.4 a	6.0 a	5.4 a	6.2 b	4.6 a	5.0 a	4.1 a
St. John's City (Zones 1-2)	3.8 a	5.7 a	3.6 a	4.2 a	3.8 a	3.9 a	6.9 a	6.3 a	4.0 a	4.4 a
Zone 3 - Remainder of Metro Area	**	14.5 a	8.4 a	3.7 a	5.7 a	10.8 a	22.1 a	25.6 d	9.2 a	11.1 a
St. John's CMA	3.7 a	5.9 a	4.0 a	4.2 a	4.0 a	4.7 a	10.0 a	10.1 a	4.5 a	5.1 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

3.1.2 Private Row (Townhouse) and Apartment Average Rents (\$) by Zone and Bedroom Type St. John's CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006
Zone 1 - St. John's East	453 b	476 b	556 a	559 a	694 b	698 b	730 a	784 a	627 a	634 a
Zone 2 - St. John's West	503 b	507 b	536 a	536 a	596 a	595 a	655 a	644 a	571 a	569 a
St. John's City (Zones 1-2)	474 a	489 b	546 a	547 a	646 a	646 a	696 a	726 a	599 a	602 a
Zone 3 - Remainder of Metro Area	**	372 b	482 a	482 a	547 a	534 a	534 a	551 a	524 a	519 a
St. John's CMA	472 b	487 b	540 a	541 a	635 a	634 a	664 a	688 a	591 a	593 a

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

a – Excellent ($0 \leq cv \leq 2.5$), b – Very good ($2.5 < cv \leq 5$), c – Good ($5 < cv \leq 7.5$)

d – Fair (Use with Caution) ($7.5 < cv \leq 10$)

** Data suppressed to protect confidentiality or data 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

3.1.3 Number of Private Row (Townhouse) and Apartment Units Vacant and Universe in October 2006 by Zone and Bedroom Type St. John's CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total
Zone 1 - St. John's East	15 a	226	40 a	643	24 a	939	13 a	167	92 a	1,975
Zone 2 - St. John's West	7 a	163	16 a	677	50 a	927	6 a	123	78 a	1,891
St. John's City (Zones 1-2)	22 a	389	56 a	1,321	73 a	1,866	18 a	290	170 a	3,866
Zone 3 - Remainder of Metro Area	1 a	7	5 a	134	26 a	244	18 d	71	51 a	456
St. John's CMA	23 a	396	61 a	1,455	100 a	2,110	37 a	361	221 a	4,322

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

3.1.4 Private Row (Townhouse) and Apartment Availability Rates (%) by Zone and Bedroom Type St. John's CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total											
	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006										
Zone 1 - St. John's East	5.5	a	6.7	a	5.4	a	6.7	a	3.2	a	3.4	a	10.6	a	8.2	a	4.8	a	5.3	a
Zone 2 - St. John's West	6.5	a	4.3	a	4.0	a	2.7	a	7.6	a	5.7	a	6.2	b	5.4	a	6.1	a	4.5	a
St. John's City (Zones 1-2)	5.9	a	5.7	a	4.6	a	4.7	a	5.4	a	4.6	a	8.5	a	7.0	a	5.5	a	4.9	a
Zone 3 - Remainder of Metro Area	**		14.5	a	8.4	a	3.7	a	9.0	a	11.7	a	22.1	a	25.6	d	11.0	a	11.6	a
St. John's CMA	5.8	a	5.9	a	5.0	a	4.6	a	5.9	a	5.4	a	11.3	a	10.7	a	6.0	a	5.6	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.

©2006 Canada Mortgage and Housing Corporation. All rights reserved. CMHC grants reasonable rights of use of this publication's content solely for personal, corporate or public policy research, and educational purposes. This permission consists of the right to use the content for general reference purposes in written analyses and in the reporting of results, conclusions, and forecasts including the citation of limited amounts of supporting data extracted from this publication. Reasonable and limited rights of use are also permitted in commercial publications subject to the above criteria, and CMHC's right to request that such use be discontinued for any reason.

Any use of the publication's content must include the source of the information, including statistical data, acknowledged as follows:

Source: CMHC (or "Adapted from CMHC," if appropriate), name of product, year and date of publication issue.

Other than as outlined above, the content of the publication cannot be reproduced or transmitted to any person or, if acquired by an organization, to users outside the organization. Placing the publication, in whole or part, on a website accessible to the public or on any website accessible to persons not directly employed by the organization is not permitted. To use the content of any CMHC Market Analysis publication for any purpose other than the general reference purposes set out above or to request permission to reproduce large portions of, or entire CMHC Market Analysis publications, please contact: the Canadian Housing Information Centre (CHIC) at <mailto:chic@cmhc.gc.ca>; (613) 748-2367 or 1 800 668-2642

For permission, please provide CHIC with the following information:

Publication's name, year and date of issue.

Without limiting the generality of the foregoing, no portion of the content may be translated from English or French into any other language without the prior written permission of Canada Mortgage and Housing Corporation.

The information, analyses and opinions contained in this publication are based on various sources believed to be reliable, but their accuracy cannot be guaranteed. The information, analyses and opinions shall not be taken as representations for which Canada Mortgage and Housing Corporation or any of its employees shall incur responsibility.

F

10/24/06



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