



RENTAL MARKET

REPORT

Nova Scotia Highlights

Canada Mortgage and Housing Corporation

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Urban rental markets resilient in the face of attractive home ownership conditions in 2004

Although the apartment vacancy rate increased in several of Nova Scotia's largest urban areas in 2004, rental markets were quite resilient in the face of exceptionally attractive home ownership conditions.

Metro Halifax rental market conditions easing

After a 6 year tightening trend, rental market conditions eased in Metro Halifax in 2004. The rental apartment vacancy rate rose to 2.9 per cent from 2.3 per cent in 2003, with 1,073 of the 37, 198 apartments across the city available for rent in early October. Of the nine rental submarkets in Metro, eight posted higher vacancy rates this year with only Dartmouth South

experiencing a decline in vacancy rate. Vacancy rates for bachelor and two bedroom units increased while the vacancy rate for three plus bedroom apartments declined and the one bedroom apartment vacancy rate remained unchanged.

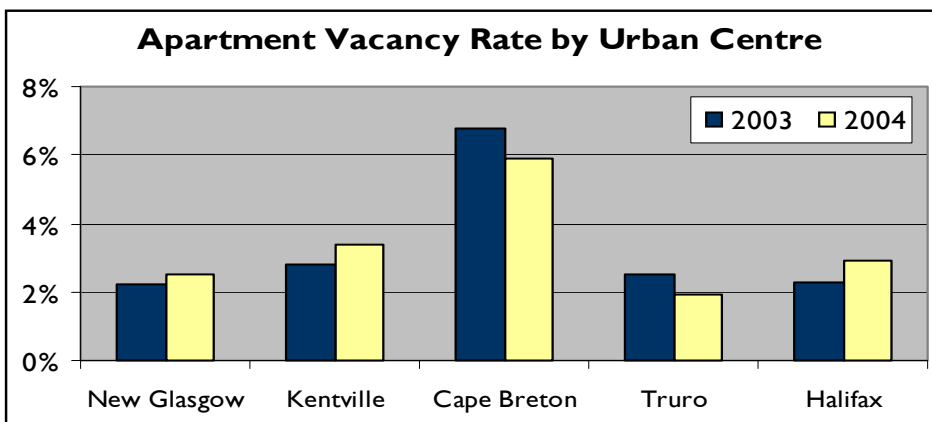
Despite the rise in the Metro vacancy rate, average rent increased 4.4 per cent. Average rents increased in all of the nine Metro submarkets with the most significant growth in the Peninsula North and Bedford & Sackville submarkets. Average rents increased for each apartment bedroom type as well with the three plus bedroom apartment average rent cresting the \$1,000 mark for the first time.

Tightening market conditions in Truro

The vacancy rate in the Truro area fell to 1.9 per cent this year from 2.5 per cent in 2003, producing the tightest rental market condition among the five largest urban areas of the province. Only 42 of 2,256 apartments were vacant in Nova Scotia's second largest rental market in October. An increase in vacancy among bachelor and three plus bedroom apartments did little to offset declining vacancy in the much larger one and two bedroom apartment segments. The tightening in market condition, combined with the completion of several new relatively high-priced rental projects in Truro were instrumental factors in the 5.8 per cent growth in average rent- the strongest rate of growth among the urban areas of the province.

Gradual decline in Cape Breton vacancy rate continues

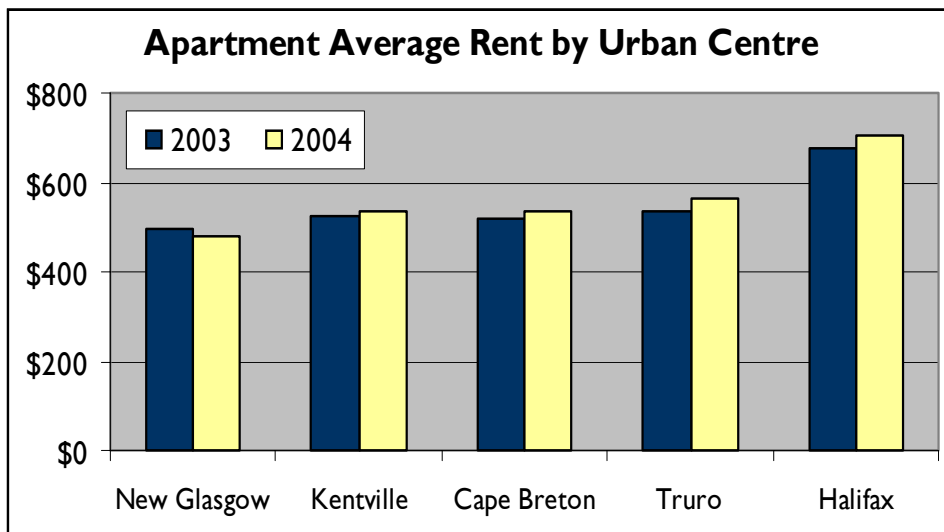
The tightening trend in the Cape Breton Regional Municipality rental market continued this year with the average apartment vacancy rate slipping almost a full percentage point to 5.9 per cent from 6.8 per cent in 2003. A significant decline in



the outlying areas of the municipality brought the vacancy rate there in line with that of Sydney City at just under 6 per cent. With 127 of 2,157 apartments vacant at the time of our survey in early October, average apartment rent climbed 2.9 per cent to \$534 per month.

Kentville rental market softens

More vacant units in the one and two bedroom apartment categories pushed-up the overall vacancy rate in the Kentville area to 3.4 per cent this year from 2.8 per cent in 2003. Despite a contraction in the size of the overall rental apartment universe in Kentville to 1,908 units, the number of vacant apartments increased to 64 this year. With little in the way of market force or new construction to spur rent increases, average apartment rent increased a mere 2.1 per cent to \$536 per month. A fairly significant 6.3 per cent decline in average rent for three plus bedroom apartments largely offset moderate rent growth in the smaller apartment categories.



Rental demand in New Glasgow weakens

The smallest of the large urban rental markets in Nova Scotia also showed the weakest performance in 2004. The vacancy rate in the New Glasgow area increased from 2.2 per cent last year to 2.5 per cent in 2004, with 28 of the 1,138 apartments in the area unoccupied and available for rent in October. Loosening rental conditions set the stage

for a 3 per cent decrease in average apartment rent to \$480 per month from \$495 as landlords were forced to compete for fewer tenants in the face of stimulative home ownership conditions.

Apartment Vacancy Rates by Zone & Bedroom Type- Nova Scotia Urban Centres										
Area (Zone)	Bachelor		One Bedroom		Two Bedroom		Three+ Bedroom		Total	
	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004
Halifax CMA	2.1%	3.4%	2.0%	2.0%	2.4%	3.4%	4.0%	3.2%	2.3%	2.9%
Peninsula South (Zone 1)	0.3%	3.2%	0.8%	0.5%	1.3%	0.7%	2.3%	1.7%	0.9%	1.2%
Peninsula North (Zone 2)	0.9%	2.2%	1.6%	1.6%	1.8%	2.0%	na	3.7%	1.6%	2.0%
Mainland South (Zone 3)	na	na	3.2%	3.4%	6.0%	7.8%	6.0%	9.0%	4.9%	6.0%
Mainland North (Zone 4)	na	1.6%	2.1%	1.4%	1.3%	2.3%	4.4%	2.6%	1.8%	2.1%
City of Halifax (Zones 1 through 4)	0.4%	2.8%	1.6%	1.3%	1.9%	2.5%	3.4%	3.1%	1.8%	2.1%
Dartmouth North (Zone 5)	na	7.5%	2.9%	3.8%	1.6%	5.1%	na	na	2.6%	4.6%
Dartmouth South (Zone 6)	na	na	4.6%	3.5%	6.4%	7.5%	6.2%	3.4%	6.0%	5.4%
Dartmouth East (Zone 7)	0.0%	0.0%	1.0%	2.3%	2.2%	3.2%	4.5%	5.5%	2.1%	3.1%
City of Dartmouth (Zones 5 through 7)	9.8%	6.8%	3.1%	3.6%	2.7%	5.2%	4.7%	3.4%	3.3%	4.5%
Bedford & Sackville (Zone 8)	na	na	1.8%	1.3%	2.1%*	5.0%	na	4.0%	2.2%*	4.0%
Remainder of Metro (Zone 9)	na	na	na	3.5%	na	3.0%	na	na	1.1%	3.6%
Cape Breton RM	14.0%	8.6%	7.9%	8.5%	5.6%	4.6%	5.4%	3.3%	6.8%	5.9%
Sydney City	14.0%	9.0%	4.9%	8.9%	5.2%	4.6%	na	na	5.8%	5.9%
Remainder	na	na	13.8%	7.7%	6.7%	4.7%	na	na	9.4%	5.8%
Kentville CA	7.1%	6.9%	2.9%	4.2%	2.4%	2.8%	2.4%	1.7%	2.8%	3.4%
New Glasgow CA	1.0%	1.0%	3.3%	2.5%	1.9%	2.2%	0.0%	9.8%	2.2%	2.5%
Truro CA	3.1%	4.3%	2.9%	2.5%	2.4%	1.4%	0.9%	1.9%	2.5%	1.9%

na: data not available for reasons of insufficient reliability or failure to meet confidentiality standards

* : estimate

Note: data is based on Statistics Canada's 2001 Census of Canada geographic area boundaries

Apartment Average Rents by Zone & Bedroom Type- Nova Scotia Urban Centres

Area (Zone)	Bachelor		One Bedroom		Two Bedroom		Three+ Bedroom		Total	
	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004
Halifax CMA	\$537	\$560	\$596	\$612	\$720	\$747	\$955	\$1,014	\$675	\$705
Peninsula South (Zone 1)	\$583	\$604	\$747	\$757	\$1,040	\$1,056	\$1,509	\$1,567	\$826	\$868
Peninsula North (Zone 2)	\$482	\$510	\$599	\$607	\$729	\$769	na	na	\$657	\$712
Mainland South (Zone 3)	na	na	\$459	\$473	\$621	\$649	\$739	na	\$565	\$586
Mainland North (Zone 4)	na	\$537	\$580	\$597	\$730	\$751	\$944	\$956	\$698	\$721
City of Halifax (Zones 1 through 4)	\$550	\$574	\$633	\$648	\$769	\$803	\$1,035	\$1,104	\$715	\$752
Dartmouth North (Zone 5)	na	\$495	\$513	\$528	\$663	\$647	na	na	\$590	\$591
Dartmouth South (Zone 5)	na	na	\$537	\$539	\$590	\$611	\$685	\$703	\$576	\$589
Dartmouth East (Zone 7)	na	na	\$499	\$508	\$605	\$620	\$651	na	\$583	\$598
City of Dartmouth (Zones 5 through 7)	\$455	\$481	\$517	\$529	\$638	\$635	\$691	\$697	\$586	\$592
Bedford & Sackville (Zone 8)	na	na	\$571	\$603	\$691	\$733	na	na	\$674	\$719
Remainder of Metro (Zone 9)	na	na	na	\$534	na	\$615	na	na	**	\$573
Cape Breton RM	\$384	\$402	\$453	\$474	\$546	\$562	na	na	\$519	\$534
Sydney City	\$391	\$400	\$456	\$480	\$550	\$570	na	na	\$526	\$542
Remainder	na	na	\$447	\$463	\$535	\$540	na	na	\$502	\$509
Kentville CA	\$365	\$380	\$442	\$461	\$548	\$558	\$856	\$802	\$525	\$536
New Glasgow CA	\$364	\$362	\$446	\$443	\$536	\$508	na	na	\$495	\$480
Truro CA	\$351	\$379	\$454	\$467	\$579	\$618	\$626	\$641	\$533	\$564

Apartment Rental Universe & Vacant Units by Area & Bedroom Type- Nova Scotia Urban Centres

Area (Zone)	Bachelor		One Bedroom		Two Bedroom		Three+ Bedroom		Total	
	Vacant	Total	Vacant	Total	Vacant	Total	2003	2004	Vacant	Total
Halifax CMA	90	2,647	278	13,900	607	17,615	98	3,036	1,073	37,198
Peninsula South (Zone 1)	46	1,459	20	3,600	15	2,141	9	528	90	7,728
Peninsula North (Zone 2)	9	437	29	1,870	50	2,487	16	439	105	5,233
Mainland South (Zone 3)	na	na	33	981	87	1,111	17	194	139	2,319
Mainland North (Zone 4)	5	310	40	2,931	127	5,407	28	1,108	200	9,757
City of Halifax (Zones 1 through 4)	62	2,240	123	9,382	278	11,146	71	2,269	535	25,037
Dartmouth North (Zone 5)	20	270	108	2,833	157	3,082	na	na	289	6,350
Dartmouth South (Zone 5)	na	na	32	914	76	1,011	10	285	121	2,259
Dartmouth East (Zone 7)	0	35	7	318	33	1,044	8	140	48	1,537
City of Dartmouth (Zones 5 through 7)	24	355	147	4,065	267	5,137	20	589	459	10,146
Bedford & Sackville (Zone 8)	na	na	4	338	55	1,098	7	171	66	1,628
Remainder of Metro (Zone 9)	na	na	4	116	7	234	na	na	14	388
Cape Breton RM	17	200	46	547	58	1,265	5	144	127	2,157
Sydney City	15	170	33	371	43	937	na	na	95	1,603
Remainder	na	na	14	177	16	328	na	na	32	554
Kentville CA	6	93	23	561	32	1,137	2	117	64	1,908
New Glasgow CA	1	99	8	341	15	656	4	42	28	1,138
Truro CA	5	106	17	702	18	1,332	2	116	42	2,256

na: data not available for reasons of insufficient reliability or failure to meet confidentiality standards

* : estimate

Note: data is based on Statistics Canada's 2001 Census of Canada geographic area boundaries

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