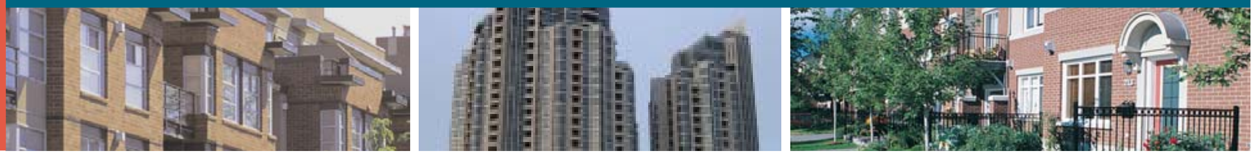
HOUSING MARKET INFORMATION

RENTAL MARKET REPORT

Nova Scotia Highlights*



Canada Mortgage and Housing Corporation

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Approaching More Balanced Rental Market Conditions in Nova Scotia in 2006

Rental markets in Nova Scotia approached more balanced conditions in 2006 as most urban centres saw vacancy rates move into the 3 to 5 per cent range. Increased apartment construction and the lure of homeownership due to historically low mortgage rates helped push vacancy rates upward. In addition, a rising number of maturing homeowners are looking to leave homeownership behind. This, along with the impact of rising monthly homeownership carrying costs (e.g., prices, interest rates, heating, taxes, utilities, etc.), is keeping more households in tenancy and is pushing vacancy rates down.

Average rent in Nova Scotia for a two bedroom apartment reached $760 per month. With the largest

Figure 1

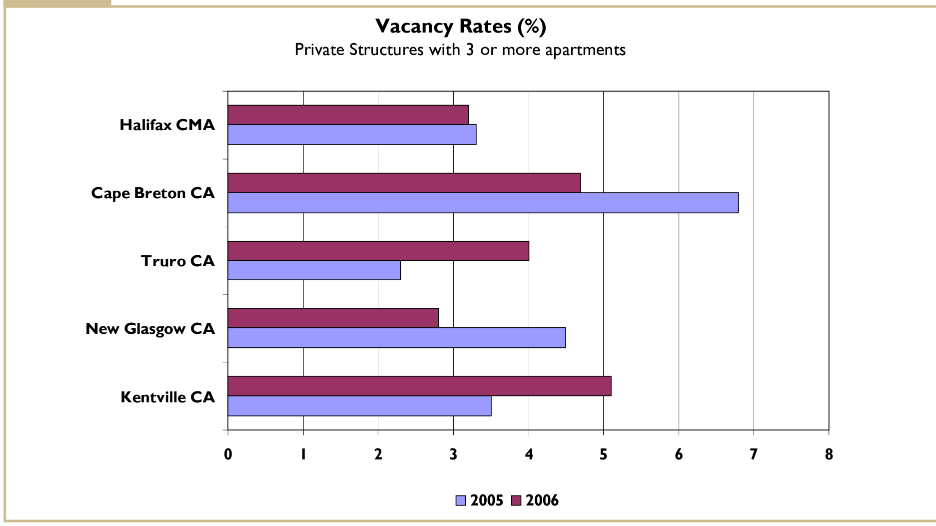
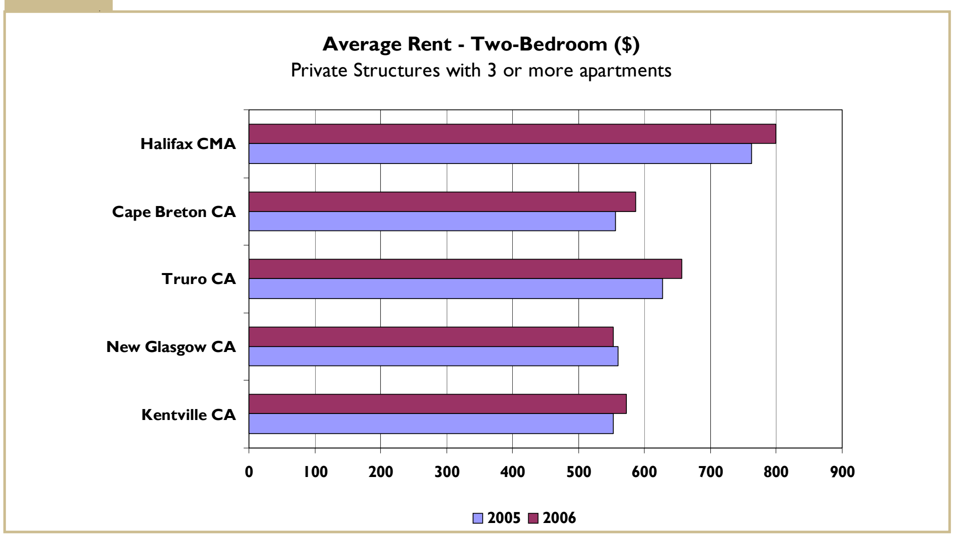


Figure 2



*Only centres with a population of 10,000 + are included in the survey. Detailed reports are available for CMAs.

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concentration of apartments, Halifax drives the provincial average upward with its 2006 average of $799 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 Halifax CMA, the average rent for a two-bedroom apartment in existing structures increased by 3.5 per cent in October 2006 compared to a year ago.

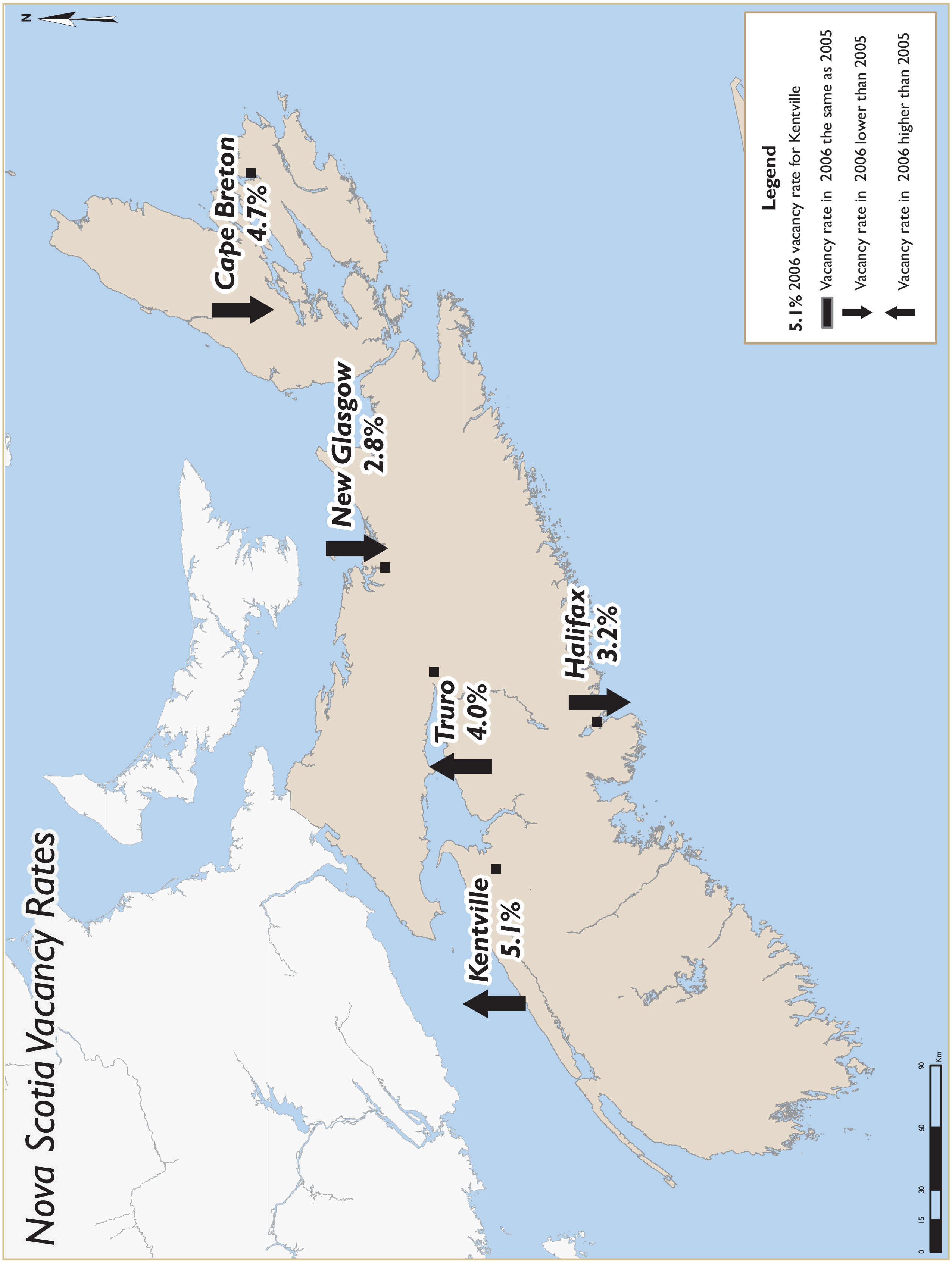
Among the smaller centres, Truro's average rent for a two bedroom unit was $657. Kentville and Cape Breton posted average monthly rents of $573 and $587 respectively while New Glasgow established the lowest average rent among Nova Scotia's urban centres at $553 per month.

The lure of homeownership for some and the desire by others to leave homeownership results in offsetting preferences in Nova Scotia. The overall provincial vacancy rate is virtually flat in 2006 compared to 2005, dropping only a tenth of a percentage point from 3.4 to 3.3 per cent. The provincial rental market is dominated by Halifax which saw the same tenth of a percentage point drop from 3.3 to 3.2 per cent.

Across the rest of the province's urban centres, changes in the vacancy rates were mixed reflecting unique economic, demographic and market conditions in each centre. Cape Breton and New Glasgow both saw vacancies drop near two percentage points. Cape Breton dropped to 4.7 per cent while New Glasgow landed at 2.8 per cent – the lowest rate in the province. New Glasgow has seen vacancy rates below the provincial average for 3 out of the last 4 years and twice had the lowest vacancy rate in Nova Scotia. The Cape Breton vacancy rate is at its lowest in 18 years. Sitting at 4.7 per cent in 2006, it is exactly half the previous 7-year average due to some tightening in supply. In recent years, low vacancy rates in Truro have inspired new development and consequently new rental stock has pushed the rate up 1.7 points to 4.0 per cent in 2006. After climbing from 3.5 to 5.1 per cent in 2006, vacancy rates in Kentville are at their highest point in nine years.

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.


Nova Scotia Vacancy Rates
N
Cape Breton
4.7%
New Glasgow
2.8%
Halifax
3.2%
Truro
4.0%
Kentville
5.1%
Legend
5.1% 2006 vacancy rate for Kentville
Vacancy rate in 2006 the same as 2005
Vacancy rate in 2006 lower than 2005
Vacancy rate in 2006 higher than 2005
0
15
30
60
90
Km

1.1.1 Private Apartment Vacancy Rates (%) by Bedroom Type Nova Scotia

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006
Halifax CMA	2.8 b	1.5 a	2.8 a	2.5 a	3.7 a	3.7 a	3.6 b	5.2 b	3.3 a	3.2 a
Cape Breton CA	**	**	10.8 d	4.9 d	5.6 b	3.8 c	2.0 c	3.1 d	6.8 b	4.7 b
Sydney City	**	**	10.2 d	3.7 d	5.5 c	4.1 c	0.0 c	3.6 d	6.4 b	5.0 c
Remainder	**	**	**	**	5.8 c	3.0 c	**	0.0 d	8.2 c	4.0 c
Kentville CA	1.7 a	5.6 a	4.5 a	4.5 b	3.4 a	5.2 a	1.6 a	**	3.5 a	5.1 a
New Glasgow CA	5.1 c	7.1 c	7.1 b	3.6 b	3.5 a	2.0 a	0.0 d	0.0 c	4.5 a	2.8 a
Truro CA	3.9 d	**	3.0 a	5.3 b	1.8 a	3.0 b	3.4 d	**	2.3 a	4.0 b
Nova Scotia 10,000+	**3.2 b**	**2.6 a**	**3.2 a**	**2.7 a**	**3.7 a**	**3.6 a**	**3.4 b**	**5.0 b**	**3.4 a**	**3.3 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 Bedroom Type Nova Scotia

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006
Halifax CMA	552 a	575 a	626 a	648 a	762 a	799 a	946 a	1,029 a	709 a	744 a
Cape Breton CA	411 b	434 a	452 a	478 a	556 a	587 a	661 a	672 a	530 a	557 a
Sydney City	406 b	438 a	464 a	494 a	566 a	595 a	677 a	687 a	542 a	568 a
Remainder	**	400 c	427 a	445 a	527 a	566 a	525 b	557 a	495 a	526 a
Kentville CA	408 a	434 a	466 a	484 a	553 a	573 a	693 a	594 a	528 a	542 a
New Glasgow CA	357 a	408 b	443 a	450 a	560 a	553 a	587 b	569 b	517 a	516 a
Truro CA	378 a	392 a	490 a	508 a	628 a	657 a	675 a	693 a	579 a	604 a
Nova Scotia 10,000+	**532 a**	**553 a**	**608 a**	**629 a**	**726 a**	**760 a**	**912 a**	**986 a**	**683 a**	**715 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 Bedroom Type Nova Scotia

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total
Halifax CMA	38 a	2,582	361 a	14,498	659 a	18,020	151 b	2,892	1,209 a	37,992
Cape Breton CA	**	175	23 d	463	46 c	1,217	5 d	166	95 b	2,021
Sydney City	**	160	12 d	324	36 c	876	5 d	143	74 c	1,502
Remainder	**	16	**	139	10 c	341	0 d	23	21 c	519
Kentville CA	3 a	57	17 b	370	43 a	827	**	41	65 a	1,295
New Glasgow CA	6 c	88	11 b	322	14 a	705	0 c	28	32 a	1,143
Truro CA	**	98	37 b	702	44 b	1,458	**	103	95 b	2,361
Nova Scotia 10,000+	**79 a**	**3,000**	**449 a**	**16,355**	**806 a**	**22,226**	**162 b**	**3,231**	**1,497 a**	**44,812**

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

1.1.4 Private Apartment Availability Rates (%) by Bedroom Type Nova Scotia

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006
Halifax CMA	3.6 b	2.1 a	3.6 a	3.0 a	4.4 a	4.3 a	4.7 b	6.1 b	4.1 a	3.8 a
Cape Breton CA	**	**	11.0 d	4.9 d	6.2 b	4.5 c	2.0 c	3.7 d	7.3 b	5.2 b
Sydney City	**	**	10.2 d	3.7 d	6.4 b	4.6 c	0.0 c	3.6 d	6.9 b	5.2 c
Remainder	**	**	**	**	5.8 c	4.4 d	**	**	8.4 c	5.2 c
Kentville CA	1.7 a	5.6 a	6.4 a	5.6 a	4.1 a	6.0 a	3.2 a	**	4.6 a	5.9 a
New Glasgow CA	5.1 c	7.1 c	9.5 b	3.6 b	4.4 a	2.2 a	0.0 d	0.0 c	5.8 a	2.9 a
Truro CA	3.9 d	**	3.3 b	6.2 b	2.4 a	3.2 b	5.7 d	3.9 d	2.9 a	4.4 b
Nova Scotia 10,000+	**3.9 b**	**3.2 b**	**4.0 a**	**3.2 a**	**4.4 a**	**4.2 a**	**4.5 b**	**5.8 b**	**4.2 a**	**3.9 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.

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