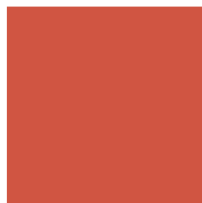


RENTAL MARKET REPORT

Prince Edward Island Highlights



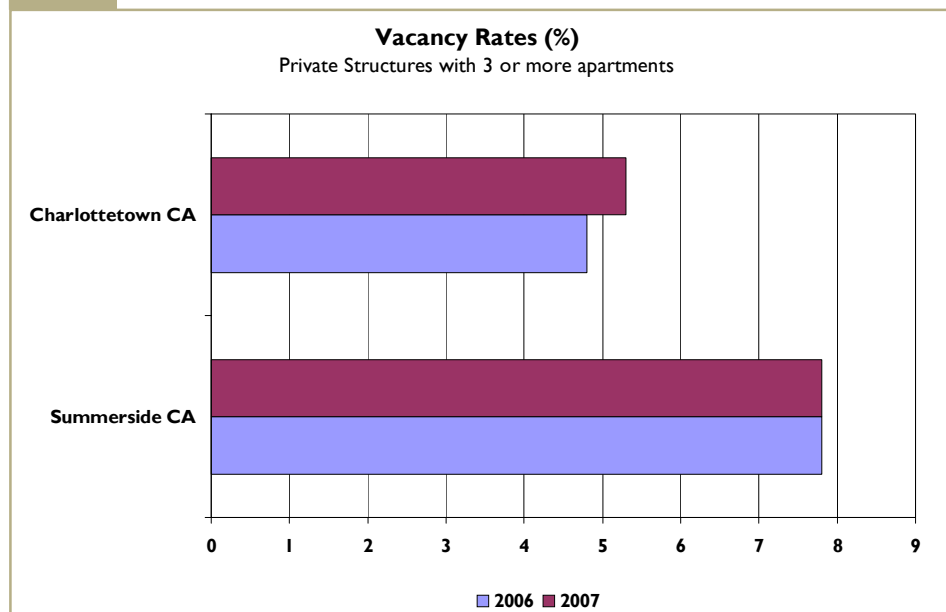
Canada Mortgage and Housing Corporation

Date Released: Spring 2007

Charlottetown and the Province Record Similar Results

- The overall vacancy rate in Prince Edward Island's urban centres stood at 5.7 per cent in April 2007.
- Charlottetown posted a slightly lower vacancy rate than the province as a whole.
- The average two-bedroom rent in Charlottetown was \$653, compared to the provincial average of \$640.

Figure 1



In this Issue

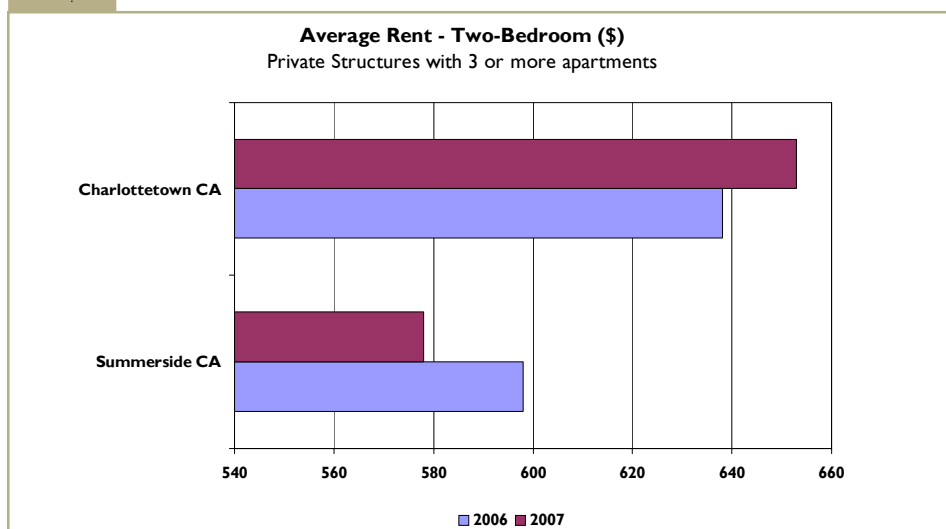
- 1 Charlottetown and the Province Record Similar Results
- 2 Rental Market Overview
- 2 Availability Rates
- 4 Prince Edward Island Provincial Map
- 5 Rental Market Report Tables (Pages 5-6)
- 8 CMHC - Home to Canadians

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.

Figure 2



switch from rental to homeownership. This has put additional upward pressure on vacancy rates.

The average two-bedroom rent in the Charlottetown area was \$653. This was slightly higher than the provincial average of \$640.

Availability Rates

The availability rate in Prince Edward Island reached 8.4 per cent in April 2007. Charlottetown posted a similar rate of 8.5 per cent.

Rental Market Overview

Results from Canada Mortgage and Housing Corporation's 2007 Spring Rental Market Survey revealed that the vacancy rate for urban centres of the province was 5.7 per cent, while the rate for Charlottetown was slightly lower at 5.3 per cent.

The overall economic environment for the province is characterized by growth in employment, population and housing stock. The province has recorded positive annual employment growth since 1990. Most of these jobs have been created in the province's two major urban centres, resulting in continued demand for all forms of housing. Migration has also played a role in the province's housing market with positive levels of in-migration and increasing urbanization. While most Atlantic Provinces have been recording an outflow of people, Prince Edward Island continues to see more people arrive than leave on an annual basis. This has been especially beneficial to the

Charlottetown area, the destination of choice for the majority of those relocating to the Island. All of the aforementioned factors have resulted in an increased level of construction in both Charlottetown and Summerside.

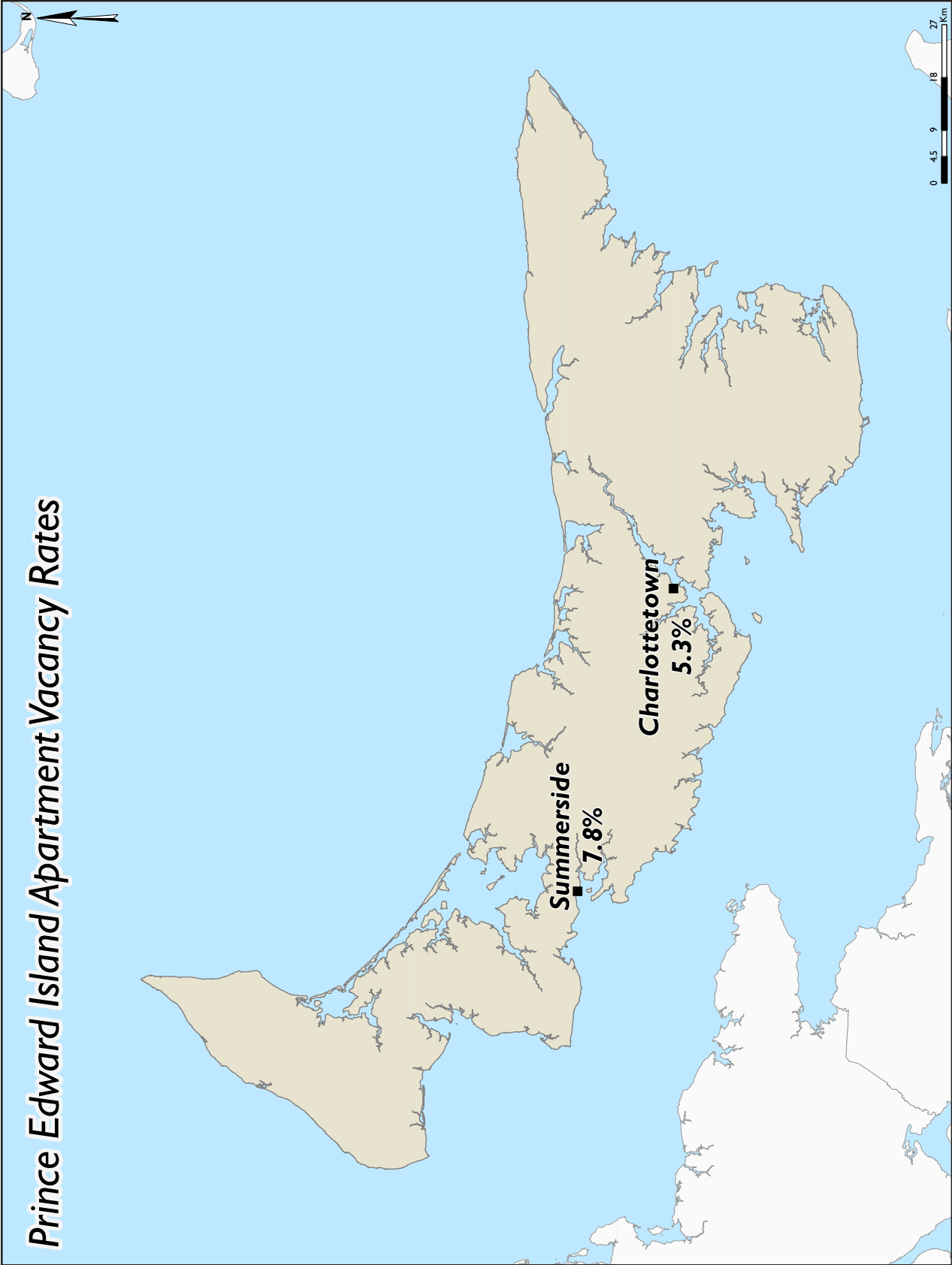
The strong demand for housing, combined with low interest rates in recent years did not go unnoticed by developers, who took the opportunity to build new rental units. As a result, there has been an above average level of multiple starts activity. This has led to a market where supply has temporarily outpaced the demand for new units. This is expected to be short lived though as the construction of rental units has slowed significantly. This will accelerate the absorption of newly completed units that are vacant, resulting in an expected decline in the vacancy rate.

The low mortgage rates that were attractive to developers also benefited potential homebuyers and many households have made the

CAUTION

In our analysis, we have deliberately avoided making comparisons between the results of the April 2007 rental market survey and the October 2006 survey. A key reason for this is that changes in rents, vacancy rates, and availability rates between the spring and the fall may not be solely attributable to changes in rental market conditions; they could also reflect seasonal factors. For example, if more people tend to move in the spring than in the fall, it could have an impact on vacancy and availability rates as well as the level of rents. Alternatively, in centres where there are a significant number of university students, vacancy and availability rates could be higher in the spring if students move home for the summer.

To the extent that these types of seasonal variations exist, comparing results from the spring and fall Rental Market Surveys could lead to incorrect conclusions about trends in rental market conditions. To avoid this, we have limited our analysis to the results of our spring 2007 Rental Market Survey and comparing these results for different centres across Canada. In spring 2008, when we have results from our second spring Rental Market Survey, we will be able to extend our analysis to make year over year comparisons.



I.1.1 Private Apartment Vacancy Rates (%) by Bedroom Type Prince Edward Island

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-06	Apr-07	Oct-06	Apr-07	Oct-06	Apr-07	Oct-06	Apr-07	Oct-06	Apr-07
Charlottetown CA	**	**	3.5 c	3.6 c	5.2 b	5.9 b	**	**	4.8 b	5.3 b
Summerside CA	**	**	6.0 c	11.0 c	6.0 b	6.2 b	18.1 d	**	7.8 b	7.8 b
Prince Edward Island 10,000+	**	**	3.8 c	4.4 b	5.3 b	6.0 b	**	8.1 c	5.3 b	5.7 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

I.1.2 Private Apartment Average Rents (\$) by Bedroom Type Prince Edward Island

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-06	Apr-07	Oct-06	Apr-07	Oct-06	Apr-07	Oct-06	Apr-07	Oct-06	Apr-07
Charlottetown CA	423 a	440 a	505 a	524 a	638 a	653 a	733 a	768 a	597 a	614 a
Summerside CA	436 b	443 b	470 a	483 a	598 a	578 a	666 a	678 b	582 a	565 a
Prince Edward Island 10,000+	424 a	440 a	501 a	519 a	631 a	640 a	707 a	746 a	595 a	607 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

I.1.3 Number of Private Apartment Units Vacant and Universe in April 2007 by Bedroom Type Prince Edward Island

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total
Charlottetown CA	**	142	38 c	1,069	143 b	2,421	**	188	204 b	3,820
Summerside CA	**	15	16 c	142	32 b	511	**	62	57 b	730
Prince Edward Island 10,000+	**	157	54 b	1,211	175 b	2,932	20 c	250	261 a	4,550

I.1.4 Private Apartment Availability Rates (%) by Bedroom Type Prince Edward Island

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-06	Apr-07	Oct-06	Apr-07	Oct-06	Apr-07	Oct-06	Apr-07	Oct-06	Apr-07
Charlottetown CA	**	**	5.5 c	5.9 b	7.2 b	9.7 b	**	**	6.8 a	8.5 a
Summerside CA	**	**	7.1 b	11.0 c	6.2 b	6.2 b	19.5 d	**	8.3 b	7.8 b
Prince Edward Island 10,000+	**	**	5.7 b	6.5 b	7.0 a	9.1 a	**	9.3 c	7.0 a	8.4 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

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 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.

Data tables in this publication result from CMHC's Rental Market Survey and provide a snapshot of vacancy and availability rates, and average rents in both new and existing structures.

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.

October 2006 data presented in this publication is based on Statistics Canada's 2001 Census area definitions. April 2007 data presented in this publication is based on Statistics Canada's 2006 Census area definitions.

Acknowledgement

The Rental Market Survey could not have been conducted without the cooperation of the rental property owners, managers, and building superintendents 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 more than 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.

©2007 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.



NEW MARKET ANALYSIS REPORTS

Subscribe Now!

Released in May

- Housing Market Outlook – Canada and Regional Highlights Reports
- Northern Housing Outlook Report

Subscribe

Subscribe

Released in June

- Spring Rental Market Survey Results
 - Rental Market Report – Canada and Provincial Highlights
 - Rental Market Statistics
- Renovation and Home Purchase Report

Subscribe

Subscribe

Subscribe

Throughout 2007

- Coverage of additional centres:

- Abbotsford
- Kingston
- Peterborough
- Barrie
- Guelph
- Brantford

More

Find out More!

Throughout 2007, CMHC will continue to enhance its suite of surveys and analytical reports to better serve you. Visit www.cmhc.ca/housingmarketinformation regularly to find out more about our product updates and to subscribe to our FREE electronic reports.