

RENTAL MARKET REPORT

Canada Highlights

Canada Mortgage and Housing Corporation

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Rental vacancy rates are lowest in Alberta and British Columbia due to strong population growth

The average rental apartment vacancy rate in Canada's 35 major centres¹ was 2.8 per cent in April 2007².

Thanks to strong employment growth, solid income gains, and

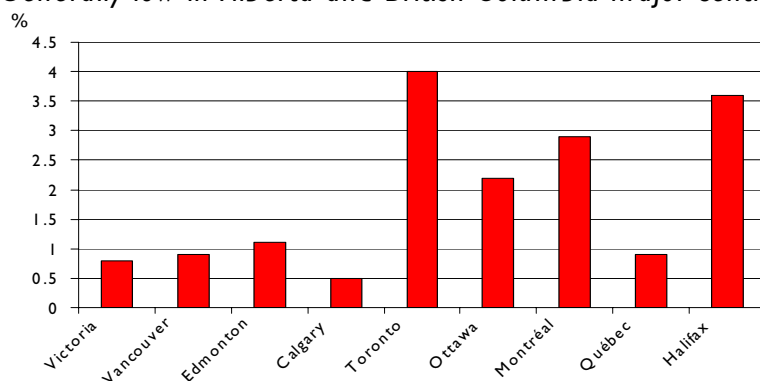
high immigration levels, the Canadian economy remains very supportive of strong demand for both ownership and rental housing. Generally speaking, vacancy rates were lowest in Alberta (0.9 per cent) and British Columbia (1.2 per cent). The economic expansion experienced in western provinces is attracting workers from Central and Atlantic Canada. Upon their arrival, many of these people settle in rental housing, which has put

CMHC's Rental Market Survey is now conducted twice a year in April and October, to provide vacancy, availability and rent information on privately initiated structures in all centres over 10,000 population across Canada.

Reports are released in June and December.

Figure 1

April 2007 Vacancy Rate - Selected CMAs
Generally low in Alberta and British Columbia major centres



Source : CMHC

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downward pressure on vacancy rates in major centres in Alberta and British Columbia.

In October 2006, the vacancy rate was 2.6 per cent nationally.

However, due to potential seasonality between the fall and the spring, which could affect rental market conditions, caution should be taken when comparing the October and April vacancy rates (see Caution Note).

The major centres with the lowest vacancy rates in April 2007 were Calgary (0.5 per cent), Abbotsford (0.6 per cent), Kelowna (0.7 per cent), and Victoria (0.8 per cent). All the major centres in British Columbia posted a vacancy rate below one per cent as the province's increasing population and the continued relatively high homeownership costs have propped up rental demand.

At the other end of the spectrum, the major urban centres with the highest vacancy rates were Windsor (11.6 per cent), Moncton (6.1 per cent), Saint John (NB) (5.7 per cent), Thunder Bay (5.5 per cent), and Charlottetown (5.3 per cent).

The highest average monthly rents for two-bedroom apartments in Canada's major centres were in Toronto (\$1,073), Vancouver (\$1,051), and Calgary (\$1,037). Of all the major centres, these three were the only ones with average

rents above \$1,000. The lowest average monthly rents for two-bedroom apartments were in Trois-Rivières (\$482) and Saguenay (\$491).

Interestingly, the highest average rents were not in one of Canada's major centres, but in the northern Alberta community of Wood Buffalo, where the average monthly two-bedroom rent was \$1,681. Strong economic growth due to activity in the oil sands in Wood Buffalo has attracted workers from other parts of the country and has driven up demand for rental housing.

The average rental apartment availability rate in Canada's 35 major centres was 5.4 per cent in April 2007. A rental unit is considered available if the unit is vacant (physically unoccupied and ready for immediate rental), or if the existing tenant has given or received notice to move and a new tenant has not signed a lease. Availability rates were highest in Windsor (15.0 per cent), Saguenay (8.8 per cent), and Charlottetown (8.5 per cent), while the lowest rates were in Kelowna (0.8 per cent), Vancouver (1.6 per cent), Calgary and Edmonton (both 1.8 per cent).

Caution Note

In our analysis, we have 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.

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 and Charlottetown which is a Census Agglomeration (CA).

² The spring survey covers apartment and row structures containing at least three rental units, and unlike the fall survey does not report information on:

- Smaller geographic zones within centres
- Secondary rental market (rented condominium apartments, single detached, semi-detached, duplexes or accessory apartments).

Rental Market Indicators Privately Initiated Apartment Structures of Three Units and Over Provinces and Major Centres¹							
Centres	Vacancy Rates (%)		Availability Rates (%)		Average Rent 2 Bedroom (\$) (New and existing structures)		
	Oct-06	Apr-07	Oct-06	Apr-07	Oct-06	Apr-07	
Newfoundland & Labrador 10,000+	4.1 a	4.2 a	4.5 a	4.8 a	585 a	560 a	
St. John's CMA	5.1 a	4.6 a	5.6 a	5.3 a	635 a	602 a	
Prince Edward Island 10,000+	5.3 b	5.7 a	7.0 a	8.4 a	631 a	640 a	
Charlottetown CA	4.8 b	5.3 b	6.8 a	8.5 a	638 a	653 a	
Nova Scotia 10,000+	3.3 a	3.8 a	3.9 a	4.7 a	760 a	757 a	
Halifax CMA	3.2 a	3.6 a	3.8 a	4.6 a	799 a	793 a	
New Brunswick 10,000+	6.0 a	6.0 a	6.7 a	6.7 a	609 a	610 a	
Moncton CMA	5.6 b	6.1 a	6.2 b	6.8 a	636 a	631 a	
Saint John CMA	6.8 b	5.7 b	7.8 b	6.7 b	556 a	568 a	
Québec 10,000+	2.5 a	2.4 a	3.0 a	5.8 a	607 a	603 a	
Ottawa-Gatineau CMA (Que. Part)	4.2 b	2.8 a	4.4 b	4.2 b	667 a	654 a	
Montréal CMA	2.7 a	2.9 a	3.3 a	6.3 a	636 a	630 a	
Québec CMA	1.5 a	0.9 a	1.8 a	4.6 b	637 a	638 a	
Saguenay CMA	4.1 b	3.3 c	4.8 a	8.8 b	485 a	491 a	
Sherbrooke CMA	1.2 a	1.6 b	1.4 a	5.2 b	515 a	529 a	
Trois-Rivières CMA	1.0 a	1.0 a	1.7 a	3.6 b	488 a	482 a	
Ontario 10,000+	3.4 a	3.9 a	5.2 a	6.4 a	919 a	921 a	
Barrie CMA	2.8 b	3.5 c	4.6 b	6.0 c	906 a	929 a	
Brantford CMA	2.3 a	2.1 b	3.5 b	3.3 c	712 a	735 a	
Guelph CMA	2.8 a	3.2 b	4.3 a	6.1 a	839 a	838 a	
Greater Sudbury CMA	1.2 a	0.9 a	2.2 a	2.2 a	706 a	723 a	
Hamilton CMA	4.3 a	4.3 a	7.0 a	7.4 a	796 a	802 a	
Kingston CMA	2.1 a	4.1 b	3.7 a	7.8 b	841 a	839 a	
Kitchener CMA	3.3 a	4.0 b	5.6 a	7.0 a	824 a	839 a	
London CMA	3.6 a	3.7 a	5.6 a	7.1 a	790 a	795 a	
St. Catharines-Niagara CMA	4.3 a	3.9 b	6.1 a	6.9 a	752 a	760 a	
Oshawa CMA	4.1 b	3.9 b	6.3 a	5.5 a	861 a	867 a	
Ottawa-Gatineau CMA (Ont. Part)	2.3 a	2.2 a	4.6 a	5.3 a	941 a	961 a	
Peterborough CMA	2.8 a	3.5 b	4.5 b	6.6 b	818 a	815 a	
Thunder Bay CMA	4.9 b	5.5 b	5.9 a	6.7 b	696 a	693 a	
Toronto CMA	3.2 a	4.0 b	5.0 a	6.4 a	1,067 a	1,073 a	
Windsor CMA	10.4 a	11.6 a	12.0 a	15.0 a	774 a	769 a	

Continued on next page

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

Rental Market Indicators Privately Initiated Apartment Structures of Three Units and Over Provinces and Major Centres¹										
Centres	Vacancy Rates (%)				Availability Rates (%)				Average Rent 2 Bedroom (\$) (New and existing structures)	
	Oct-06		Apr-07		Oct-06		Apr-07		Oct-06	Apr-07
Manitoba 10,000+	1.6	a	1.4	a	2.2	a	2.2	a	692	715
Winnipeg CMA	1.3	a	1.2	a	2.0	a	2.0	a	709	733
Saskatchewan 10,000+	3.2	a	3.2	a	4.3	a	5.1	a	601	619
Regina CMA	3.3	b	2.7	a	4.7	a	4.1	a	619	636
Saskatoon CMA	3.2	a	3.0	a	4.2	a	6.3	a	608	626
Alberta 10,000+	0.9	a	0.9	a	1.7	a	2.0	a	868	932
Calgary CMA	0.5	a	0.5	a	1.6	a	1.8	b	960	1,037
Edmonton CMA	1.2	a	1.1	a	1.7	a	1.8	a	808	877
British Columbia 10,000+	1.2	a	1.2	a	1.9	a	2.2	a	885	893
Abbotsford CMA	2.0	a	0.6	a	3.5	a	3.0	a	719	700
Kelowna CMA	0.6	a	0.7	a	1.0	a	0.8	a	800	817
Vancouver CMA	0.7	a	0.9	a	1.3	a	1.6	b	1,045	1,051
Victoria CMA	0.5	a	0.8	a	1.5	a	3.4	c	874	892
Canada CMAs (1)	2.6	a	2.8	a	3.6	a	5.4	a	780	784
Canada 10,000+	2.7	a	2.8	a	3.7	a	5.3	a	755	760

¹ Major centres refer to Census Metropolitan Areas (CMA), except for Charlottetown

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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.

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