

RENTAL MARKET REPORT

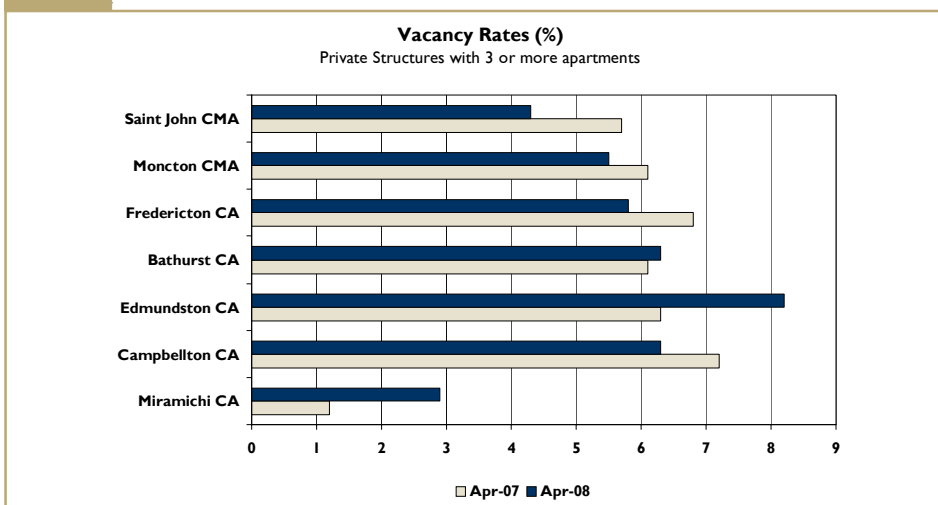
New Brunswick Highlights



Canada Mortgage and Housing Corporation

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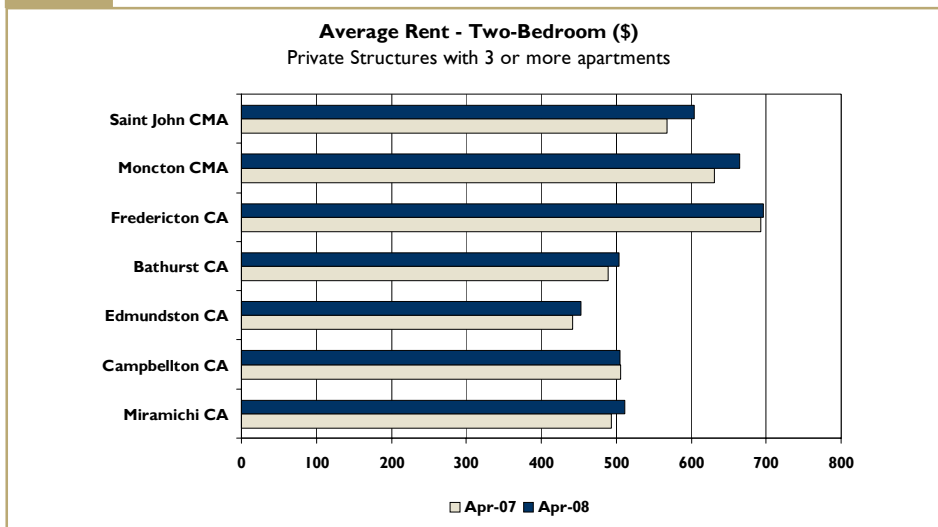
Figure 1



Overall Vacancy Rate Declines in New Brunswick

- In the spring of 2008, the overall vacancy rate in New Brunswick's urban centres was 5.3 per cent while the average rent stood at \$604.
- The vacancy rate declined by 0.6, 1.0, and 1.4 percentage points in Moncton, Fredericton and Saint John, respectively.
- In smaller urban centres, the vacancy rate varied from a low of 2.9 per cent in Miramichi to a high of 8.2 per cent in Edmundston.
- Fredericton and Moncton were the only urban centres in the province with an average rent higher than the overall provincial average of \$604.
- The average rents in the smaller urban centres were all below \$500 in April of 2008.

Figure 2



Overview

According to the CMHC Rental Market Survey conducted in the spring of 2008, individual vacancy rates in five of New Brunswick's seven urban centres were within one percentage point of the overall provincial average of 5.3 per cent. Economic development continues to attract people in Fredericton and Moncton. As a result, demand for rental units, particularly from younger people and empty nesters, continues to remain strong. In combination with a mild decline in rental unit construction, it has contributed to this spring's lower vacancy rate. In April, the respective vacancy rates in Moncton and Fredericton stood at 5.5 and 5.8 per cent, the highest amongst the province's three large urban areas. In Saint John, the vacancy rate was one percentage point lower than the provincial average at 4.3 per cent.

The rapid expansion of the energy sector in the region, including the potential addition of a second oil refinery, bodes well for future economic development. Although the project's effect on the housing market has been limited to date, it has generated enthusiasm towards the local economy and the region's longer term outlook. Limited construction of new rental units during the past decade, combined with rising demand, helped contribute to a 1.4 percentage point, year-over-year decline in the local vacancy rate to 4.3 per cent. If the proposed refinery moves past the planning stage, the scale of the project will lead to rapidly increasing housing demand which could

provoke fluctuations in the vacancy rate if rental unit supply is not able to keep pace with demand.

Vacancy Rate – Small Urban Centres

In New Brunswick's smaller urban areas, the vacancy rates were comparable to the provincial average in Bathurst and Campbellton; one percentage point higher at 6.3 per cent in both centres. With an increase of 1.9 percentage points to 8.2 per cent, Edmundston was one of only two urban centres with a higher vacancy rate in the spring of 2008 compared to the same period last year. The vacancy rate in Miramichi, a region that has struggled with significant job losses in the forestry sector, was also higher in the spring of 2008 at 2.9 per cent. The higher vacancy rate stems from reduced demand as a limited number of rental units have been added to the local rental universe in the past five years.

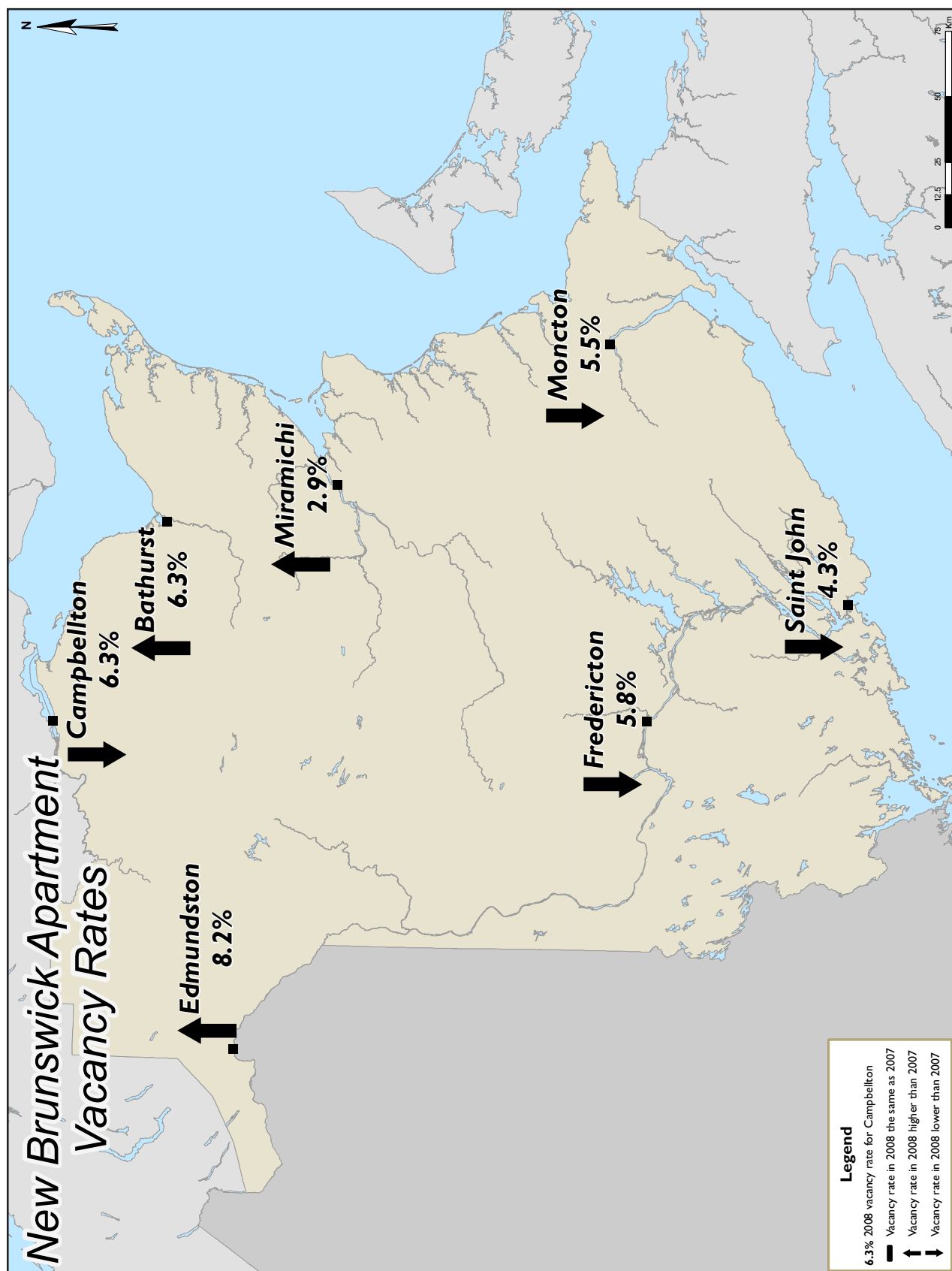
Average Rents – New Brunswick Urban Centres

Moncton and Fredericton were the only two urban centres in the province where the average rent exceeded the overall provincial average of \$604. Steady demand for rental units, bolstered by positive in-migration, led to the highest average rents in the province at \$688 and \$629 for Fredericton and Moncton, respectively. In Saint John, enthusiasm in the local economy associated with ongoing developments in the energy sector

has prompted a change in the recent trend of negligible in-migration, resulting in increased demand for rental units. Nevertheless, the average rent remains below the provincial average at \$575. Similarly, the average rent in the smaller urban centres varied between \$436 and \$494 due to out-migration and its effect on rental unit demand.

Availability Rates

The availability rate in the province was 5.9 per cent in April of 2008, down from 6.7 per cent 12 months ago. Among the province's three large urban centres, Saint John posted the lowest availability rate at 4.9 per cent. Meanwhile, the availability rate in Fredericton and Moncton was comparable to the provincial average at 5.9 and 6.4 per cent, respectively. In the smaller urban areas, except for Miramichi, the availability rate was higher than the provincial average fluctuating from 6.5 and 9.9 per cent. The rate in the Miramichi was the lowest in the province at 3.1 per cent.



1.1.1 Private Apartment Vacancy Rates (%) by Bedroom Type New Brunswick

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08
Moncton CMA	**	4.9 d	4.7 b	5.2 b	6.5 b	5.6 b	**	**	6.1 a	5.5 a
Saint John CMA	**	4.8 d	5.9 c	4.9 c	5.4 c	4.1 b	4.2 d	3.9 d	5.7 b	4.3 b
Bathurst CA	11.1 a	14.6 a	8.2 a	9.4 a	4.7 a	2.6 a	1.0 a	6.1 a	6.1 a	6.3 a
Campbellton CA	**	**	6.8 b	7.0 b	6.8 b	4.9 a	**	4.1 a	7.2 b	6.3 a
Edmundston CA	**	**	10.2 a	11.4 c	3.6 b	6.5 b	2.6 c	9.0 c	6.3 a	8.2 a
Fredericton CA	**	3.9 d	5.7 b	5.5 b	6.9 b	6.1 b	6.8 c	5.1 c	6.8 a	5.8 a
Miramichi CA	**	4.0 a	1.5 c	3.2 a	0.9 a	2.8 a	**	2.1 a	1.2 a	2.9 a
New Brunswick 10,000+	10.5 c	5.9 c	5.8 a	5.7 a	5.9 a	5.2 a	5.2 c	4.8 b	6.0 a	5.3 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 New Brunswick

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08
Moncton CMA	414 a	416 a	518 a	547 a	631 a	665 a	683 a	730 a	595 a	629 a
Saint John CMA	392 a	415 a	472 a	519 a	568 a	604 a	613 a	634 a	540 a	575 a
Bathurst CA	338 a	342 a	391 a	404 a	489 a	504 a	489 a	500 a	443 a	456 a
Campbellton CA	368 b	378 a	399 a	399 a	506 a	505 a	518 a	536 a	460 a	464 a
Edmundston CA	333 a	337 a	401 a	413 a	442 a	453 a	495 a	505 a	425 a	436 a
Fredericton CA	509 a	522 a	572 a	587 a	693 a	696 a	915 a	903 a	681 a	688 a
Miramichi CA	376 d	306 d	416 a	452 a	494 a	512 a	573 b	622 b	474 a	494 a
New Brunswick 10,000+	420 a	424 a	496 a	524 a	610 a	635 a	700 a	727 a	579 a	604 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

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1.1.3 Number of Private Apartment Units Vacant and Universe in April 2008 by Bedroom Type New Brunswick

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total
Moncton CMA	19 d	392	120 b	2,320	369 b	6,537	**	475	537 a	9,724
Saint John CMA	21 d	435	118 c	2,402	198 b	4,839	42 d	1,077	379 b	8,753
Bathurst CA	19 a	130	29 a	308	14 a	547	6 a	98	68 a	1,084
Campbellton CA	**	43	20 b	287	20 a	413	3 a	79	52 a	822
Edmundston CA	**	56	50 c	437	41 b	636	6 c	71	98 a	1,200
Fredericton CA	12 d	298	83 b	1,524	271 b	4,420	41 c	790	406 a	7,031
Miramichi CA	1 a	28	7 a	224	17 a	615	1 a	48	26 a	915
New Brunswick 10,000+	81 c	1,382	427 a	7,503	931 a	18,007	128 b	2,637	1,567 a	29,529

The following letter codes are used to indicate the reliability of the estimates:

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1.1.4 Private Apartment Availability Rates (%) by Bedroom Type New Brunswick

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08
Moncton CMA	**	**	5.8 b	6.3 b	7.0 b	6.4 a	**	7.0 c	6.8 a	6.4 a
Saint John CMA	**	5.4 d	6.7 c	6.1 c	6.7 c	4.4 b	5.4 d	4.4 d	6.7 b	4.9 b
Bathurst CA	11.9 a	14.6 a	9.2 a	10.1 a	5.4 a	2.6 a	1.0 a	6.1 a	6.8 a	6.5 a
Campbellton CA	**	**	9.1 b	7.7 b	7.9 b	4.9 a	**	4.1 a	8.7 a	6.7 a
Edmundston CA	**	**	10.6 a	13.1 c	4.5 a	8.3 a	2.6 c	10.5 d	7.0 a	9.9 a
Fredericton CA	**	3.9 d	5.7 b	5.8 b	6.9 b	6.2 b	6.9 c	5.1 c	6.8 a	5.9 a
Miramichi CA	**	7.9 a	2.1 c	3.7 a	1.0 a	2.8 a	**	2.1 a	1.4 a	3.1 a
New Brunswick 10,000+	10.5 c	6.6 b	6.5 a	6.7 a	6.6 a	5.6 a	5.9 b	5.3 b	6.7 a	5.9 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)

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Please click [Methodology](#) or [Data Reliability Tables Appendix links](#) for more details

1.1.5 Private Apartment Estimate of Percentage Change (%) of Average Rent¹ by Bedroom Type New Brunswick

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-06 to Apr-07	Apr-07 to Apr-08	Apr-06 to Apr-07	Apr-07 to Apr-08	Apr-06 to Apr-07	Apr-07 to Apr-08	Apr-06 to Apr-07	Apr-07 to Apr-08	Apr-06 to Apr-07	Apr-07 to Apr-08
Moncton CMA	n/a	5.0 d	n/a	2.1 c	n/a	2.0 b	n/a	2.0 c	n/a	2.3 b
Saint John CMA	n/a	**	n/a	**	n/a	3.2 c	n/a	3.6 d	n/a	3.1 c
Bathurst CA	n/a	5.0 a	n/a	4.2 a	n/a	1.9 a	n/a	2.0 c	n/a	2.8 a
Campbellton CA	n/a	**	n/a	++	n/a	++	n/a	2.7 c	n/a	++
Edmundston CA	n/a	++	n/a	**	n/a	1.2 d	n/a	++	n/a	1.6 c
Fredericton CA	n/a	**	n/a	++	n/a	++	n/a	++	n/a	++
Miramichi CA	n/a	**	n/a	5.9 b	n/a	4.2 c	n/a	**	n/a	4.7 c
New Brunswick 10,000+	n/a	4.0 d	n/a	2.3 c	n/a	2.0 b	n/a	2.0 c	n/a	2.2 a

¹ The Estimate of Percentage Change is a measure of the market movement, and is based on those structures that were common to the survey for both years.

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

++ change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0)

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. There also exists a 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 April 2007 and April 2008 Rental Market Surveys. 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 all Canada and Provincial Highlights publications, and also in the CMA reports (fall survey only). 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.

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 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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