

Service bulletin

Real Estate Rental and Leasing and Property Management

2006



Highlights

- The real estate rental and leasing and property management industries continued to expand in 2006. Total combined operating revenues of these industries increased 5.7% from the previous year to \$55.6 billion. The growth can be mainly attributed to favorable economic conditions and a robust real estate market.
- Total operating expenses for the combined industries increased by 6.7% in 2006 to \$43.7 billion. The operating profit margin of these industries remained strong at 21.5%.
- The largest segment of these industries was the non-residential sector (50%), followed by the residential sector (42%) and property management services (8%).
- Revenue growth was widespread across Canada. Provincial shares remained virtually unchanged from the previous year, except for slight increases in Alberta and British Columbia. Ontario, the most populated province, continued to dominate the market, followed by Quebec.

Statistical tables

Table 1

Summary statistics for the real estate rental and leasing and property management industries, 2002 to 2006

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2006				
Newfoundland and Labrador	311.4	245.4	29.2	21.2
Prince Edward Island	124.8	101.1	10.9	19.0
Nova Scotia	1,105.5	842.9	88.3	23.8
New Brunswick	684.4	542.7	50.6	20.7
Quebec	12,253.1	9,503.7	767.2	22.4
Ontario	23,725.0	18,585.5	2,162.2	21.7
Manitoba	1,484.7	1,158.2	134.8	22.0
Saskatchewan	1,092.0	857.9	138.8	21.4
Alberta	5,942.7	4,692.9	712.8	21.5
British Columbia	8,681.1	6,993.5	950.4	19.4
Yukon	53.5	42.0	4.0	21.5
Northwest Territories	96.2	71.9	12.2	25.3
Nunavut	84.7	61.4	9.2	27.4
Canada	55,639.1	43,699.1	5,070.6	21.5
2005				
Newfoundland and Labrador	253.0	200.1	27.5	20.9
Prince Edward Island	119.0	93.2	10.4	21.7
Nova Scotia	950.0	760.7	79.6	19.9
New Brunswick	626.0	481.0	46.5	23.2
Quebec	11,986.9	9,304.4	692.3	22.4
Ontario	22,542.6	17,376.4	1,826.7	22.9
Manitoba	1,389.1	1,060.4	110.1	23.7
Saskatchewan	1,008.8	773.8	124.6	23.3
Alberta	5,420.1	4,244.6	531.5	21.7
British Columbia	8,138.0	6,496.8	796.4	20.2
Yukon	42.7	34.8	3.4	18.5
Northwest Territories	89.8	68.1	9.8	24.2
Nunavut	72.2	49.0	8.1	32.1
Canada	52,638.1	40,943.3	4,267.1	22.2
2004				
Newfoundland and Labrador	257.1	191.4	24.0	25.5
Prince Edward Island	103.0	85.5	9.7	17.0
Nova Scotia	937.0	723.5	67.8	22.8
New Brunswick	533.7	433.0	43.4	18.9
Quebec	11,249.7	8,725.7	564.5	22.4
Ontario	22,213.7	14,940.4	1,608.5	19.2
Manitoba	1,168.7	940.6	98.2	19.5
Saskatchewan	1,081.3	896.2	102.8	17.1
Alberta	4,788.6	3,845.2	460.0	19.7
British Columbia	8,102.2	6,253.6	616.0	22.8
Yukon	37.4	27.2	3.3	27.2
Northwest Territories	89.1	75.3	9.5	15.4
Nunavut	51.4	44.2	4.6	13.8
Canada	50,613.1	40,182.0	3,612.0	20.6

Table 1 – continued

Summary statistics for the real estate rental and leasing and property management industries, 2002 to 2006

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2003				
Newfoundland and Labrador	216.1	155.3	22.7	28.1
Prince Edward Island	109.4	92.0	10.3	15.9
Nova Scotia	894.3	670.9	63.5	25.0
New Brunswick	542.2	426.3	46.1	21.4
Quebec	10,593.5	8,039.7	604.2	24.1
Ontario	20,506.2	17,035.2	1,594.9	16.9
Manitoba	989.1	780.5	116.7	21.1
Saskatchewan	817.9	678.1	98.6	17.1
Alberta	4,094.4	3,201.8	493.9	21.8
British Columbia	7,279.4	5,673.2	697.1	22.1
Yukon	34.5	25.1	2.9	27.2
Northwest Territories	79.9	67.4	8.7	15.6
Nunavut	49.2	38.9	4.6	20.9
Canada	46,206.1	36,884.5	3,764.4	20.2
2002				
Newfoundland and Labrador	196.1	146.7	20.8	25.2
Prince Edward Island	101.0	83.1	11.4	17.5
Nova Scotia	838.7	655.5	72.8	21.8
New Brunswick	516.9	413.6	42.9	20.0
Quebec	9,744.5	7,905.9	1,043.1	18.9
Ontario	19,732.1	16,156.4	1,953.4	18.1
Manitoba	1,289.8	748.7	105.9	42.0
Saskatchewan	775.8	617.8	83.1	20.4
Alberta	4,027.2	3,125.9	438.2	22.4
British Columbia	6,716.9	5,510.3	796.5	18.0
Yukon	29.8	22.9	2.2	23.2
Northwest Territories	83.9	77.2	8.7	7.9
Nunavut	46.0	39.9	5.4	13.2
Canada	44,098.7	35,503.9	4,584.1	19.5

Note(s): According to the North American Industry Classification System (NAICS 5311 and 531310). Surveyed portion only. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total.

Table 2
Selected operating expenditures as a percentage of total operating expenses for the real estate rental and leasing and property management industries, 2002 to 2006

	Salaries, wages and benefits	Depreciation	Property tax	Maintenance and repair	Utilities	Total expenses
	percent					
2006						
Newfoundland and Labrador	12.3	10.8	9.8	9.8	6.7	78.4
Prince Edward Island	14.0	16.9	9.0	11.4	12.1	94.4
Nova Scotia	10.6	13.1	12.3	8.4	7.0	78.4
New Brunswick	10.3	13.8	15.8	9.3	7.2	88.2
Quebec	10.5	11.1	12.3	9.1	5.1	81.1
Ontario	12.3	12.4	14.6	8.0	5.4	86.5
Manitoba	14.9	13.0	11.4	9.3	5.8	83.7
Saskatchewan	15.1	14.7	10.6	8.8	5.3	85.0
Alberta	16.7	11.4	8.5	7.0	5.5	81.8
British Columbia	17.5	10.7	11.0	7.9	4.4	86.4
Yukon	5.9	15.2	6.8	9.7	8.1	68.7
Northwest Territories	13.9	11.5	9.1	10.5	12.1	81.9
Nunavut	5.3	18.6	16.9	7.3	4.1	76.8
Canada	13.4	11.9	12.7	8.1	5.3	84.6
2005						
Newfoundland and Labrador	15.8	12.4	8.8	10.0	5.7	73.9
Prince Edward Island	15.9	14.5	11.3	11.1	11.3	99.2
Nova Scotia	10.7	14.0	13.0	9.0	7.8	79.8
New Brunswick	9.4	15.9	13.1	9.7	8.5	83.3
Quebec	10.5	11.5	11.4	8.8	5.3	75.7
Ontario	9.6	11.7	14.6	10.8	7.5	84.2
Manitoba	14.1	12.3	9.1	10.4	6.5	76.8
Saskatchewan	19.8	8.7	5.4	4.5	3.7	59.4
Alberta	13.2	12.9	10.2	7.9	5.7	77.7
British Columbia	13.9	9.5	11.1	8.2	4.9	78.8
Yukon	25.5	11.2	6.1	10.2	8.0	82.8
Northwest Territories	12.4	10.9	12.7	13.6	14.8	91.3
Nunavut	16.6	12.1	2.8	10.4	6.1	78.2
Canada	11.1	11.5	12.7	9.6	6.5	80.5
2004						
Newfoundland and Labrador	12.1	10.6	8.0	9.2	8.9	72.2
Prince Edward Island	13.8	14.5	12.2	9.7	13.1	87.9
Nova Scotia	9.6	10.9	12.4	8.1	9.1	77.9
New Brunswick	9.5	13.6	15.0	9.0	8.5	82.1
Quebec	8.6	10.3	10.3	6.9	6.0	78.8
Ontario	9.8	10.2	15.0	6.7	6.1	82.7
Manitoba	12.2	9.7	12.4	7.2	7.1	82.7
Saskatchewan	16.7	11.1	9.4	6.7	10.3	89.0
Alberta	11.1	11.2	10.1	5.9	8.4	79.9
British Columbia	11.4	8.7	11.2	7.6	4.8	77.1
Yukon	16.1	7.1	5.1	10.2	12.4	69.8
Northwest Territories	11.9	9.8	7.1	11.7	14.7	86.0
Nunavut	9.3	10.0	2.1	6.3	9.5	86.7
Canada	10.2	10.2	12.7	6.9	6.4	80.8

Table 2 – continued

Selected operating expenditures as a percentage of total operating expenses for the real estate rental and leasing and property management industries, 2002 to 2006

	Salaries, wages and benefits	Depreciation	Property tax	Maintenance and repair	Utilities	Total expenses
	percent					
2003						
Newfoundland and Labrador	14.6	12.1	12.7	8.6	7.6	72.9
Prince Edward Island	11.2	11.4	16.1	8.1	8.5	84.2
Nova Scotia	9.5	12.8	16.1	9.5	9.1	76.6
New Brunswick	10.8	12.1	17.6	6.6	8.4	79.6
Quebec	7.5	9.0	16.3	5.6	4.8	75.7
Ontario	9.4	9.9	19.3	6.3	5.6	82.5
Manitoba	15.0	9.9	17.4	5.9	6.0	80.6
Saskatchewan	14.5	8.3	16.8	5.8	8.4	82.9
Alberta	15.4	12.2	16.1	8.3	9.1	76.5
British Columbia	12.3	9.6	15.7	5.9	4.1	79.1
Yukon	11.6	8.6	13.0	6.7	8.2	76.9
Northwest Territories	12.8	9.5	9.1	11.3	14.2	85.7
Nunavut	11.9	10.8	4.8	9.5	11.1	80.1
Canada	10.2	9.9	17.6	6.3	5.7	79.7
2002						
Newfoundland and Labrador	11.4	10.3	7.0	6.7	5.7	77.7
Prince Edward Island	14.7	11.5	10.7	9.2	9.4	84.5
Nova Scotia	10.1	9.6	10.8	8.0	8.6	78.0
New Brunswick	9.3	11.6	13.9	6.7	7.1	80.0
Quebec	8.0	10.2	11.5	8.1	7.2	82.0
Ontario	9.3	9.6	16.3	6.2	6.1	83.9
Manitoba	14.7	8.5	11.7	7.1	7.5	81.6
Saskatchewan	12.5	9.7	9.4	5.7	8.4	78.1
Alberta	10.8	9.7	8.4	6.9	6.9	78.8
British Columbia	11.5	9.4	8.9	6.3	4.3	85.6
Yukon	10.1	9.9	6.9	11.0	11.9	81.5
Northwest Territories	11.4	9.6	8.8	13.7	15.1	98.3
Nunavut	11.4	10.5	2.7	6.7	8.3	91.4
Canada	9.8	9.8	13.1	6.8	6.3	83.4

Note(s): According to the North American Industry Classification System (NAICS 5311 and 531310). Surveyed portion only. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total.

Data sources, definitions and methodology

Description

This annual sample survey collects the financial and operating data needed to produce statistics on the Real estate rental and leasing and property management industry in Canada. The survey also collects detailed information on the characteristics of the businesses, such as type of revenue and type of client. These data are aggregated with information from other sources to produce official estimates of the national and provincial economic production of the Real estate rental and leasing and property management industry in Canada. The results from this survey provide data to businesses, governments, investors, and associations. These data allow these groups to monitor the growth of the industry, measure performance, allow comparison across similar businesses and to better understand this industry to react to trends and patterns.

Target population

The target population consists of all establishments classified to the Real Estate Rental and Leasing and Property Management industry NAICS 531 according to the North American Industry Classification System (NAICS) during the reference year.

Sampling

This is a sample survey with a cross-sectional design.

The frame is the list of establishments from which the portion eligible for sampling is determined and the sample is taken. The frame provides basic information about each firm including address, industry classification, and information from administrative data sources. The frame is maintained by Statistics Canada's Business Register and is updated using administrative data.

The basic objective of the survey is to produce estimates for the whole industry - incorporated and unincorporated businesses. The data come from two different sources: a sample of all businesses with revenue above or equal to a certain threshold (note: the threshold varies between surveys and sometimes between industries and provinces in the same survey) for which either survey or administrative data may be used; and administrative data only for businesses with revenue below the specified threshold. It should be noted that only financial information is available from businesses below the threshold; e.g., revenue, and expenses such as depreciation and salaries, wages and benefits. Detailed characteristics are collected only for surveyed establishments.

Prior to the selection of a random sample, establishments are classified into homogeneous groups (i.e., groups with the same NAICS codes and same geography). Quality requirements are targeted, and then each group is divided into sub-groups called strata: take-all, must-take, and take-some.

The take-all stratum represents the largest firms in terms of performance (based on revenue) in an industry. The must-take stratum is comprised of units selected based on complex structural characteristics (multi-establishment, multi-legal, multi-NAICS, or multi-province enterprises). All take-all and must-take firms are selected to the sample. Units in the take-some strata are subject to simple random sampling.

The effective sample size for reference year 2006 was 4,415 collection entities.

Definitions

Estimates for the most recent year are preliminary. Preliminary data are subject to revision.

Operating revenue excludes investment income, capital gains, extraordinary gains and other non-recurring items.

Operating expenses excludes write-offs, capital losses, extraordinary losses, interest on borrowing, and other non-recurring items.

Operating profit margin is derived as follows: operating revenue minus operating expenses, expressed as a percentage of operating revenue. The derived figure excludes corporation income tax paid by incorporated businesses and individual income tax paid by unincorporated businesses. For unincorporated businesses, operating profit margin includes unpaid remuneration to partners and proprietors, which is not recorded as salaries, wages and benefits. Therefore the profit estimate will be higher in industries where unincorporated proprietorships and partnerships are significant contributors.

Salaries, wages and benefits include vacation pay and commissions for all employees for whom a T4 slip was completed. This category also includes the employer portion of employee benefits for items such as Canada/Québec Pension Plan or Employment Insurance premiums. Salaries and wages do not include working owners' dividends nor do they include the remuneration of owners of unincorporated business. Therefore the relative level of salaries, wages and benefits will be lower in industries where unincorporated businesses are significant contributors.

Quality evaluation

Prior to dissemination, combined survey results are analyzed for overall quality; in general, this includes a detailed review of individual responses (especially for the largest companies), an assessment of the general economic conditions portrayed by the data, historic trends, and comparisons with other data sources.

Disclosure control

Statistics Canada is prohibited by law from releasing any data which would divulge information obtained under the Statistics Act that relates to any identifiable person, business or organization without the prior knowledge or the consent in writing of that person, business or organization. Various confidentiality rules are applied to all data that are released or published to prevent the publication or disclosure of any information deemed confidential. If necessary, data are suppressed to prevent direct or residual disclosure of identifiable data.

Data accuracy

Of the units contributing to the estimate, the weighted response rate was 80%. CVs were calculated for each estimate and are available upon request.

Related products**CANSIM**

Available on CANSIM: table 352-0003 - Summary statistics for real estate rental and leasing and property management (all establishments), by North American Industry Classification System (NAICS), annual (225 series)

Survey(s)

Definitions, data sources and methods: survey number 4705 - Annual Survey of Service Industries: Real Estate Rental and Leasing and Property Management

Publications

Service Industries Newsletter, Catalogue no. 63-018-X.

Analytical paper series - Service Industries Division, Catalogue no. 63F0002X.

Release date: October 2008

Symbols

The following standard symbols are used in Statistics Canada publications:

.	not available for any reference period
..	not available for a specific reference period
...	not applicable
0	true zero or a value rounded to zero
0 ^s	value rounded to 0 (zero) where there is a meaningful distinction between true zero and the value that was rounded
P	preliminary
r	revised
x	suppressed to meet the confidentiality requirements of the <i>Statistics Act</i>
E	use with caution
F	too unreliable to be published

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