

RENTAL MARKET REPORT

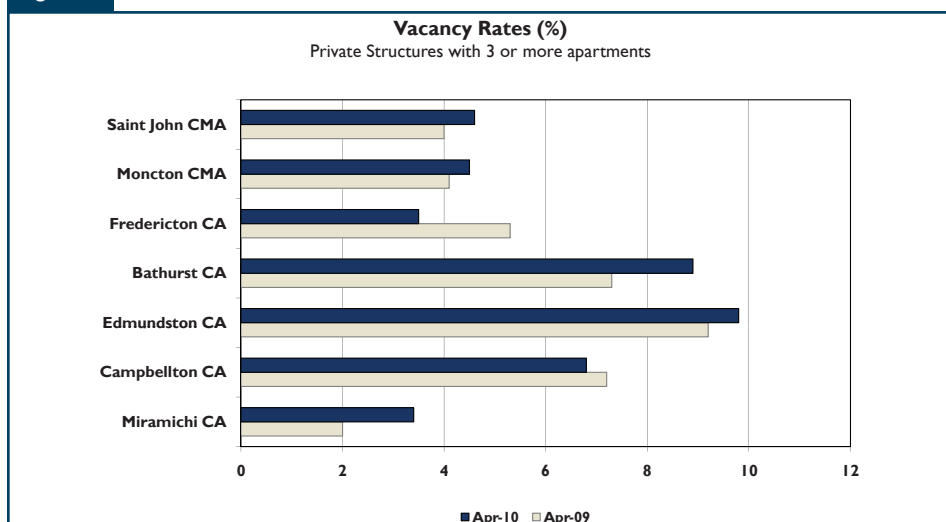
New Brunswick Highlights*



CANADA MORTGAGE AND HOUSING CORPORATION

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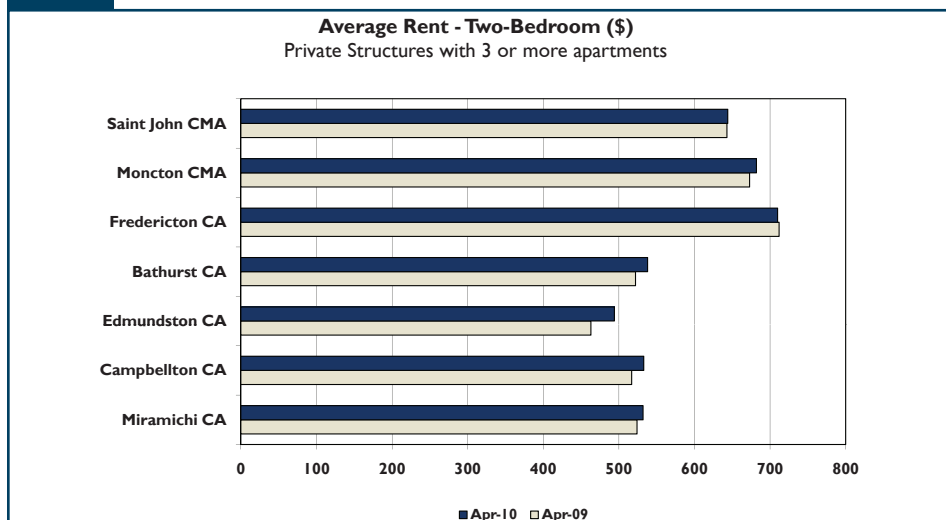
Figure 1



Overall Vacancy Rate Unchanged in New Brunswick

- In the spring of 2010, the overall vacancy rate in New Brunswick's urban centres was unchanged from a year ago at 4.7 per cent.
- The average rent in the province's urban centres was \$631 per month.
- The vacancy rate increased in Moncton and Saint John by 0.4 and 0.6 percentage points, respectively. In Fredericton, the vacancy rate declined 1.8 percentage points.
- In the smaller urban centres, the vacancy rate varied between a low of 3.4 per cent in Miramichi to a high of 9.8 per cent in Edmundston.
- Fredericton and Moncton were the only urban centres in the province where the average rent exceeded the provincial average of \$631.

Figure 2



*Only centres with a population of 10,000 + are included in the survey.

Overview

According to the CMHC Rental Market Survey conducted in the spring of 2010, the vacancy rate was higher in five of New Brunswick's seven urban centres compared to the level recorded last spring. Two of the province's large urban centres - Moncton and Saint John - were in this group. In Fredericton, demand for rental units increased as steady economic development and migration to the provincial capital have both contributed to this spring's lower vacancy rate.

Last year, apartment starts in Fredericton were up significantly as the local rental universe expanded to meet demand. A number of these units were added to the rental stock in the latter part of 2009 and into 2010. Nevertheless, the increase in supply was not sufficient to meet local demand which has been spurred, in part, by record level employment in the provincial capital region. As a result, the vacancy rate in the spring of 2010 was down 1.8 percentage points to 3.5 per cent, the second lowest vacancy rate in the province and the lowest among New Brunswick's three large urban centres.

In Greater Moncton, the vacancy rate moved up 0.4 percentage points to 4.5 per cent in the spring of 2010. The increase occurred despite the fact that fewer new units were added to the local rental universe as apartment starts were at their second lowest level in a decade in 2009. Among provincial urban centres, the Greater Moncton area continued to lead its counterparts in terms of population growth. However, rental unit demand declined last year and was relatively soft during the early part of 2010 as favorable market conditions supported increased activity in both the new home and resale markets.

In Saint John, apartment starts were lower in 2009, following three consecutive annual increases. Demand for rental units eased in Saint John as local energy sector projects, a key driver of economic development in the city in recent years, were completed or neared completion. Consequently, the vacancy rate in the region trended upward in the spring of 2010 with a 0.6 percentage point increase to 4.6 per cent.

Vacancy Rate – Small Urban Centres

The vacancy rate in each of New Brunswick's smaller urban centres, with the exception of Campbellton, posted a year-over-year increase in the spring of 2010. Although down from last year's total, the vacancy rate in Campbellton was higher than the provincial average at 6.8 per cent. Edmundston posted the highest vacancy rate in the province at 9.8 per cent, slightly higher than last year's rate of 9.2 per cent. The next highest vacancy rate was recorded in Bathurst, with a 1.6 percentage point increase to 8.9 per cent. The vacancy rate also followed an upward trend in Miramichi, rising 1.4 percentage points from the rate observed last spring. In spite of the increase, Miramichi posted the lowest vacancy rate in the province at 3.4 per cent. In general terms, a declining population in New Brunswick's small CAs, and the corresponding decline in demand for rental units have resulted in higher vacancy rates in most of these centres.

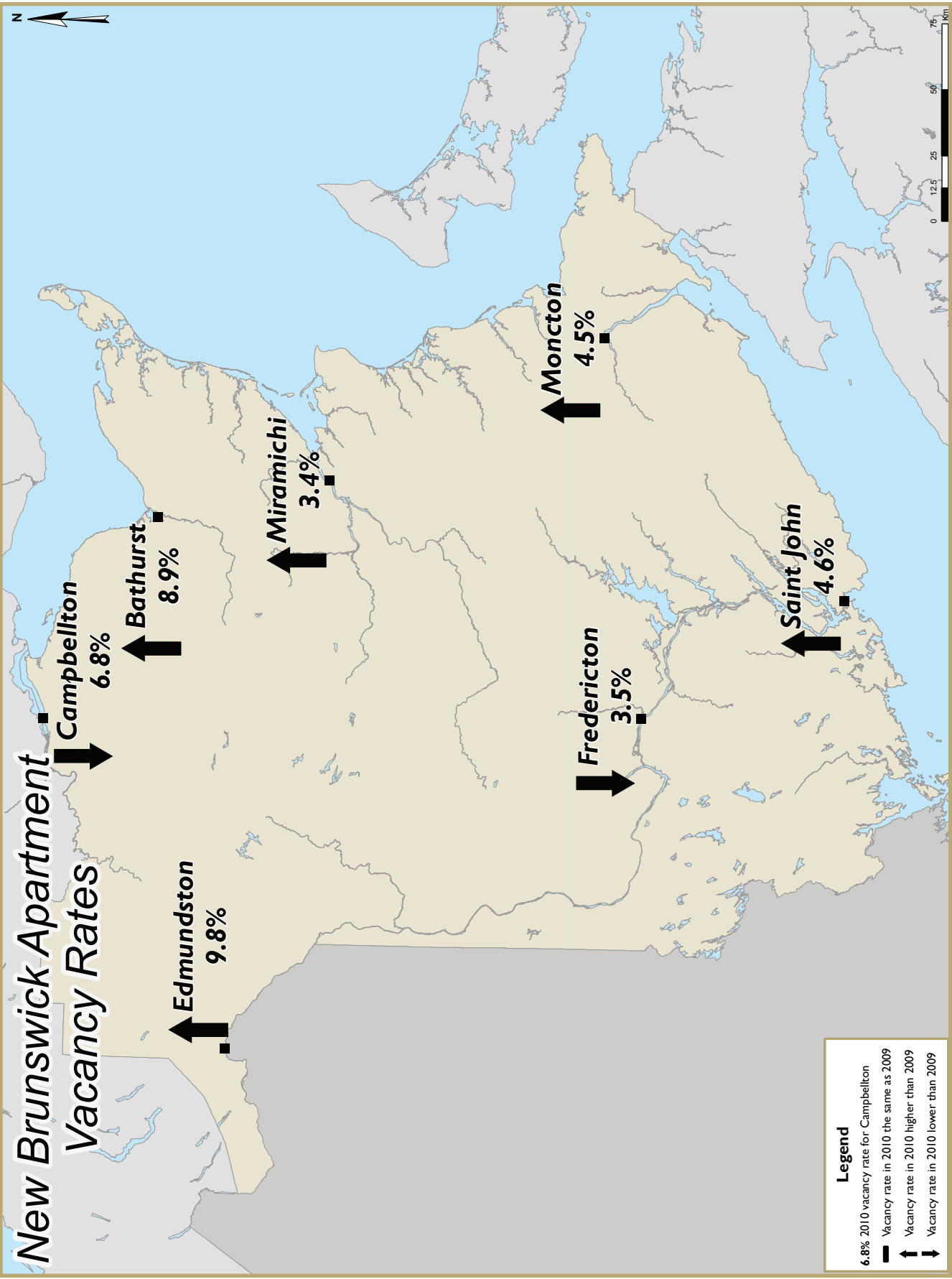
Average Rents – New Brunswick Urban Centres

Fredericton and Moncton were the only two urban centres in the province where the average rent exceeded the overall provincial average of \$631. With positive net-migration in both centres contributing

to increased demand for newer units, the average rents in these centres were the highest in the province at \$704 and \$652, respectively. In Saint John, reduced demand for rental units exerted limited upward pressure on local rents. As a result, the average rent in Saint John, in addition to being the lowest among the three large provincial urban centres, was below the provincial average at \$616. The average rent in the smaller urban centres varied between \$467 and \$512 as out-migration limited rental unit demand and subsequently led to moderate rent increases.

Availability Rates

The availability rate in the province was up to 6.0 per cent in April compared to 5.4 per cent during the same period last year. Among the province's three large urban centres, Saint John posted the lowest availability rate at 5.0 per cent. The availability rate in Moncton and Fredericton was within one percentage point of the provincial average at 6.4 and 5.3 per cent, respectively. In the smaller urban areas, the availability rate was significantly higher than the provincial average, varying between 7.7 and 10.5 per cent. The exception was in Miramichi, where the availability rate, despite rising 2.8 percentage points to 5.0 per cent, remained below the provincial average.



I.1.1 Private Apartment Vacancy Rates (%) by Bedroom Type New Brunswick

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-09	Apr-10	Apr-09	Apr-10	Apr-09	Apr-10	Apr-09	Apr-10	Apr-09	Apr-10
Moncton CMA	5.5 d	5.4 d	3.5 c	4.4 b	4.1 b	4.3 b	5.5 c	**	4.1 b	4.5 b
Saint John CMA	5.0 d	**	5.0 c	5.4 c	3.6 c	4.2 c	3.5 d	3.9 d	4.0 b	4.6 b
Bathurst CA	16.3 a	22.2 a	9.3 a	10.5 c	4.6 b	6.6 b	**	1.7 c	7.3 a	8.9 a
Campbellton CA	**	**	10.0 c	9.3 b	5.2 b	4.3 b	1.6 c	3.0 c	7.2 b	6.8 a
Edmundston CA	**	11.5 d	13.8 c	11.5 c	6.3 b	8.5 b	4.7 d	8.4 c	9.2 b	9.8 b
Fredericton CA	9.5 c	5.1 d	5.3 b	3.2 c	4.7 a	3.2 b	6.5 c	5.0 c	5.3 a	3.5 b
Miramichi CA	0.0 c	14.9 a	1.3 a	0.5 a	2.4 a	4.3 a	0.0 a	0.0 a	2.0 a	3.4 a
New Brunswick 10,000+	8.0 b	8.5 b	5.4 a	5.3 a	4.2 a	4.2 a	4.7 b	4.6 b	4.7 a	4.7 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 not statistically reliable.

n/u: No units exist in the 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](#) link for more details

I.1.2 Private Apartment Average Rents (\$) by Bedroom Type New Brunswick

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-09	Apr-10	Apr-09	Apr-10	Apr-09	Apr-10	Apr-09	Apr-10	Apr-09	Apr-10
Moncton CMA	445 a	453 a	557 a	574 a	673 a	682 a	734 a	779 a	644 a	652 a
Saint John CMA	439 a	445 a	534 a	553 a	643 a	644 a	695 a	690 a	610 a	616 a
Bathurst CA	356 a	360 a	416 a	426 a	522 a	538 a	498 a	536 a	474 a	490 a
Campbellton CA	378 a	384 c	414 a	415 a	517 a	533 a	535 a	636 a	474 a	494 a
Edmundston CA	341 a	357 a	405 a	428 a	463 a	494 a	529 b	566 a	441 a	467 a
Fredericton CA	546 a	535 b	603 a	603 a	712 a	710 a	951 a	928 a	706 a	704 a
Miramichi CA	321 b	309 a	453 a	473 b	524 a	532 a	504 a	528 a	501 a	512 a
New Brunswick 10,000+	453 a	453 a	535 a	550 a	653 a	659 a	753 a	762 a	625 a	631 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) ($7.5 < cv \leq 10$)

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n/u: No units exist in the 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 2010 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	18 d	333	111 b	2,492	287 b	6,697	**	476	446 b	9,998
Saint John CMA	**	333	130 c	2,407	198 c	4,768	42 d	1,092	395 b	8,600
Bathurst CA	29 a	132	31 c	298	41 b	624	2 c	119	104 a	1,174
Campbellton CA	**	38	27 b	293	18 b	420	2 c	67	56 a	818
Edmundston CA	6 d	55	54 c	469	53 b	620	7 c	83	120 b	1,227
Fredericton CA	17 d	339	46 c	1,458	135 b	4,253	41 c	827	240 b	6,877
Miramichi CA	3 a	20	1 a	201	23 a	548	0 a	45	28 a	814
New Brunswick 10,000+	107 b	1,250	401 a	7,618	756 a	17,931	125 b	2,709	1,388 a	29,508

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

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n/u: No units exist in the 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](#) link for more details

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

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-09	Apr-10	Apr-09	Apr-10	Apr-09	Apr-10	Apr-09	Apr-10	Apr-09	Apr-10
Moncton CMA	**	**	4.7 b	6.2 b	5.4 b	6.3 b	6.8 c	**	5.3 a	6.4 a
Saint John CMA	5.0 d	**	5.2 c	6.1 b	4.3 b	4.5 b	3.8 c	3.9 d	4.5 b	5.0 b
Bathurst CA	16.3 a	22.2 a	9.7 a	11.2 a	5.1 b	6.8 b	**	3.4 d	7.7 a	9.3 a
Campbellton CA	**	**	11.4 c	11.1 c	5.9 b	4.8 b	1.6 c	3.0 c	8.0 a	7.7 a
Edmundston CA	**	11.5 d	14.8 c	11.9 c	6.6 b	9.3 b	5.9 d	10.9 d	10.0 b	10.5 a
Fredericton CA	9.5 c	7.4 c	5.9 b	5.0 c	5.1 a	4.6 b	6.8 b	**	5.7 a	5.3 b
Miramichi CA	0.0 c	14.9 a	2.2 a	2.0 a	2.4 a	6.1 a	0.0 a	0.0 a	2.2 a	5.0 a
New Brunswick 10,000+	8.3 b	10.1 c	6.1 a	6.6 a	5.0 a	5.5 a	5.2 b	5.9 c	5.4 a	6.0 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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I.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-08 to Apr-09	Apr-09 to Apr-10	Apr-08 to Apr-09	Apr-09 to Apr-10	Apr-08 to Apr-09	Apr-09 to Apr-10	Apr-08 to Apr-09	Apr-09 to Apr-10	Apr-08 to Apr-09	Apr-09 to Apr-10
Moncton CMA	**	++	2.1 b	2.8 c	2.1 a	2.0 c	2.3 c	++	2.4 b	2.4 b
Saint John CMA	**	4.4 c	4.6 c	3.3 d	4.5 c	3.3 c	5.2 d	2.8 c	5.5 c	3.2 c
Bathurst CA	++	7.0 b	3.1 b	2.0 b	3.4 c	0.9 a	++	**	3.7 b	1.5 b
Campbellton CA	**	**	2.3 b	**	2.7 a	1.8 c	++	**	2.3 a	3.2 d
Edmundston CA	++	**	**	4.6 d	3.2 d	3.8 d	4.7 d	++	2.6 b	4.1 d
Fredericton CA	++	5.2 d	**	2.7 c	1.5 d	1.8 c	2.7 c	++	1.6 c	1.4 a
Miramichi CA	**	++	**	3.6 c	3.7 b	2.4 b	0.8 a	0.3 a	3.1 c	2.0 b
New Brunswick 10,000+	**	4.2 c	2.9 a	3.0 b	2.8 a	2.3 a	3.3 c	**	3.2 b	2.4 a

¹The Percentage Change of Average Rent is a measure of the market movement, and is based on those structures that were common to the survey sample 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 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 the 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](#) link for more details

TECHNICAL NOTE:

Difference between Percentage Change of Average Rents (Existing and New Structures) AND Percentage Change of Average Rents from Fixed Sample (Existing Structures Only):

Percentage Change of Average Rents (New and Existing Structures): The increase/decrease obtained from the calculation of percentage change of average rents between two years (example: \$500 in the previous year vs. \$550 in current survey represents an increase of 10 percent) is impacted by changes in the composition of the rental universe (e.g. the inclusion of newly built luxury rental buildings in the survey, rental units renovated/upgraded or changing tenants could put upward pressure on average rents in comparison to the previous year) as well as by the rent level movement (e.g. increase/decrease in the level of rents that landlords charge their tenants).

Percentage Change of Average Rents from Fixed Sample (Existing Structures Only): This is a measure that estimates the rent level movement. The estimate is based on structures that were common to the survey sample for both the previous year and the current April Rental Market Surveys. However, some composition effects still remain e.g. rental units renovated/upgraded or changing tenants because the survey does not collect data to such level of 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. 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 previous year and the current 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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