

RENTAL MARKET REPORT

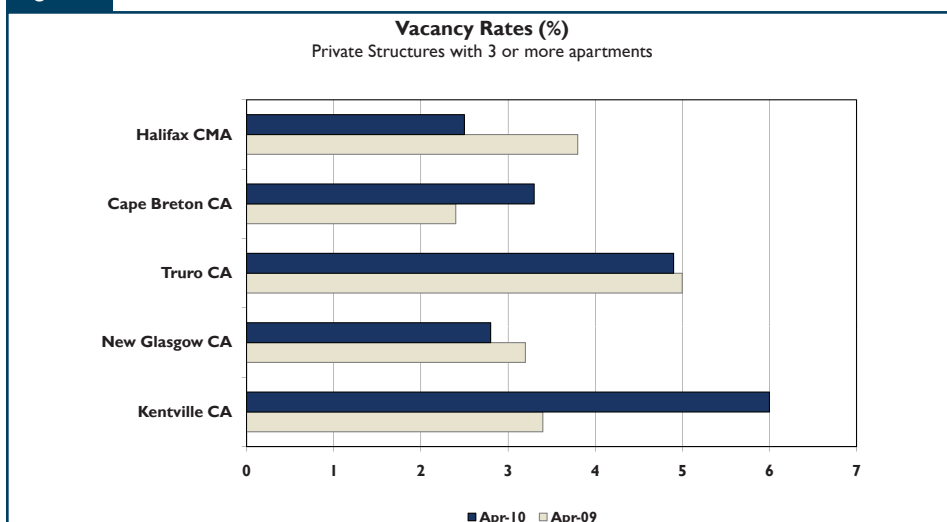
Nova Scotia Highlights*



CANADA MORTGAGE AND HOUSING CORPORATION

Date Released: Spring 2010

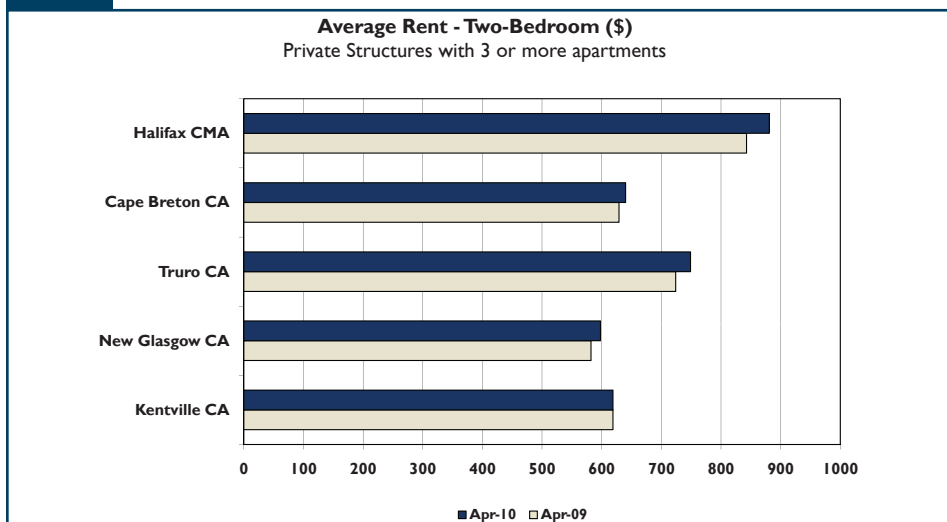
Figure 1



Apartment Vacancies Decline in Nova Scotia

- The overall vacancy rate in Nova Scotia decreased from 3.8 to 2.8 per cent in the spring of 2010.
- Vacancy rates declined in all bedroom types, with the largest decline recorded in 3+ bedroom units.
- Halifax CMA recorded the lowest vacancy rate in the province at 2.5 per cent and posted the largest year-over-year vacancy rate decline.
- The average vacancy rate for a two-bedroom apartment in Nova Scotia was 3.0 per cent, while the average rent for a two-bedroom apartment was \$842.
- The overall average rent in Nova Scotia increased 1.7 per cent in April (based on structures common to both the 2009 and 2010 surveys).

Figure 2



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

The overall vacancy rate in urban centres in Nova Scotia decreased in the spring 2010 rental market survey, declining from 3.8 per cent in April of 2009 to 2.8 per cent this year.

The overall average rent in April was \$783. Average rents in Nova Scotia increased 1.7 per cent based on structures common to both the 2009 and 2010 surveys.

The rental market across Nova Scotia varied in each of the province's urban centres as vacancy rates ranged from a low of 2.5 per cent in the Halifax CMA to a high of 6.0 per cent in the Kentville CA. Despite the differences, demand for rental units throughout the province remained strong due to stable employment levels, record provincial wages and continued positive net migration to the province.

The Halifax rental market encompasses 84 per cent of the province's rental market universe (40,046 of 47,477 rental units) and has a significant influence on the overall Nova Scotia rental market. A large change in the vacancy rate or average rent in the Halifax CMA will have a significant impact on the overall vacancy rate and average rent in the province. In the Halifax market, positive net migration and strong employment supported demand for all types of housing including the rental market. In the second half of 2009 and in the first quarter of 2010 the number of new rental projects that entered the market and the resulting supply of new rental units did not keep up with demand, pushing the vacancy rate down 1.3 percentage points to 2.5 per cent in April. Similarly, the overall vacancy rate for the province declined from 3.8 per cent last year to 2.8 per cent in this year's survey. The average rent for a two-bedroom apartment in Halifax was \$881 in the spring while

the average rent for a two-bedroom apartment in Nova Scotia was \$842. Average rents in Halifax increased 1.5 per cent based on structures common to both the 2009 and 2010 surveys.

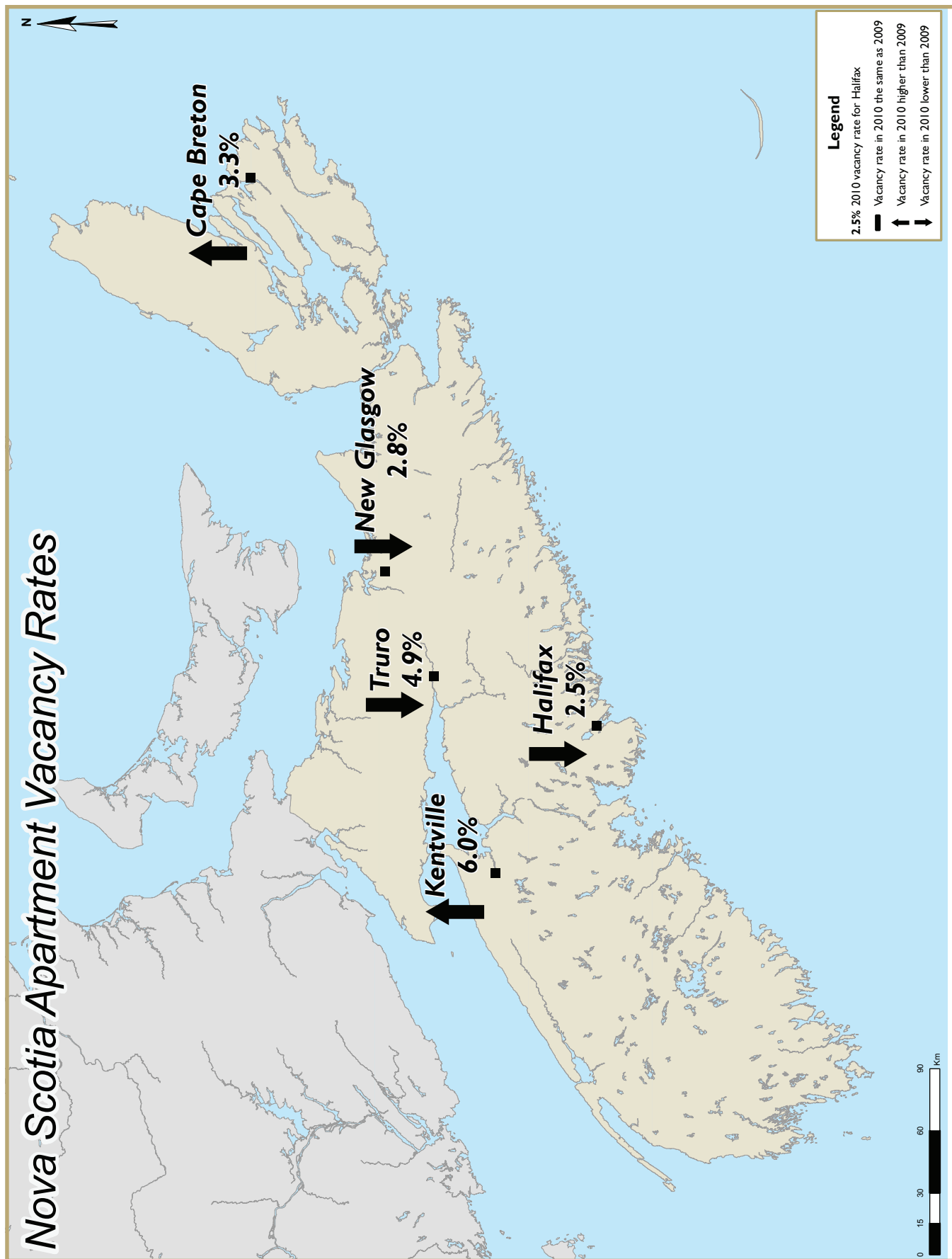
In Cape Breton, the overall vacancy rate increased from 2.4 per cent in April of 2009 to 3.3 per cent in this year's survey. The average rent for a two-bedroom apartment in Cape Breton was \$640 in April. Competition from homeownership due to slow price growth and low interest rates contributed to a reduction in demand for rental units.

In Truro, the second largest rental market in Nova Scotia, the vacancy rate declined marginally to 4.9 per cent from 5.0 per cent last year. Overall vacancy rates in Truro have stabilized over the past three years, not going below 4.9 or above 5.0 per cent. Colchester County remains the only county in the province, with the exception of Halifax County, to report positive net migration in recent years, stimulating demand in the rental market. However, an active existing homes market and the addition of new units added to the rental supply have offset positive migration and population increases resulting in a stable vacancy rate. The average two-bedroom rent was \$749 in the April survey. The average two-bedroom rent in Truro increased 3.4 per cent based on structures common to both the 2009 and 2010 surveys. Truro continues to be the only market outside of Halifax to post an average rent above \$700 per month.

In Kentville, the vacancy rate increased by 2.6 percentage points to 6.0 per cent. Additional rental units added to the universe in Kentville in 2009 contributed to the vacancy rate increase. Average rent for a two-bedroom apartment was \$619 in

April's survey.

In New Glasgow, the vacancy rate declined from 3.2 per cent in last year's survey to 2.8 per cent this year. Modest increases in the population combined with fewer new rental units entering the market in New Glasgow in 2009 resulted in the decline in the vacancy rate. The average rent for a two-bedroom apartment in New Glasgow was \$598 in the April survey.



I.1.1 Private Apartment Vacancy Rates (%) by Bedroom Type Nova Scotia

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
Halifax CMA	1.8 ^b	1.2 ^a	3.5 ^b	2.2 ^a	4.2 ^b	2.9 ^a	4.0 ^d	2.7 ^c	3.8 ^a	2.5 ^a
Cape Breton CA	**	**	5.9 ^c	4.6 ^d	1.2 ^a	3.2 ^c	**	0.0 ^c	2.4 ^b	3.3 ^c
Kentville CA	**	**	2.2 ^b	**	3.3 ^d	4.9 ^d	0.0 ^d	**	3.4 ^c	6.0 ^c
Kings, Subd. A SC	n/u	n/u	**	**	5.8 ^b	**	n/u	**	6.2 ^c	**
New Glasgow CA	9.4 ^c	**	3.4 ^b	5.5 ^b	2.3 ^b	1.7 ^a	**	**	3.2 ^b	2.8 ^a
Truro CA	**	**	4.5 ^b	5.2 ^b	5.2 ^a	4.5 ^b	**	**	5.0 ^a	4.9 ^a
Nova Scotia 10,000+	2.5^b	1.9^b	3.6^b	2.6^a	4.0^b	3.0^a	3.8^d	2.7^b	3.8^a	2.8^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 Nova Scotia

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
Halifax CMA	621 ^a	658 ^a	701 ^a	711 ^a	843 ^a	881 ^a	1,055 ^a	1,032 ^a	789 ^a	808 ^a
Cape Breton CA	447 ^b	449 ^b	508 ^a	519 ^a	629 ^a	640 ^a	740 ^b	820 ^a	597 ^a	612 ^a
Kentville CA	490 ^a	472 ^a	513 ^a	540 ^b	619 ^a	619 ^a	670 ^b	695 ^b	573 ^a	593 ^a
Kings, Subd. A SC	n/u	n/u	501 ^a	539 ^a	546 ^a	602 ^a	n/u	**	539 ^a	616 ^a
New Glasgow CA	427 ^a	433 ^a	487 ^a	504 ^a	582 ^a	598 ^a	637 ^b	**	544 ^a	563 ^a
Truro CA	446 ^b	466 ^a	542 ^a	582 ^a	724 ^a	749 ^a	766 ^a	801 ^b	665 ^a	694 ^a
Nova Scotia 10,000+	595^a	632^a	680^a	694^a	808^a	842^a	1,021^a	1,000^a	761^a	783^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 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

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1.1.3 Number of Private Apartment Units Vacant and Universe in April 2010 by Bedroom Type Nova Scotia

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total
Halifax CMA	31 ^a	2,505	350 ^a	15,919	536 ^a	18,518	82 ^c	3,104	998 ^a	40,046
Cape Breton CA	**	136	21 ^d	451	37 ^c	1,133	0 ^c	145	62 ^c	1,865
Kentville CA	**	73	**	417	36 ^d	739	**	103	79 ^c	1,332
Kings, Subd. A SC	n/u	n/u	**	13	**	85	**	**	**	107
New Glasgow CA	**	81	18 ^b	325	12 ^a	739	**	33	33 ^a	1,178
Truro CA	**	96	38 ^b	741	73 ^b	1,621	**	106	124 ^a	2,564
Nova Scotia 10,000+	54^b	2,895	470^a	18,007	699^a	23,053	93^b	3,522	1,317^a	47,477

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 Nova Scotia

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
Halifax CMA	3.2 ^c	2.8 ^b	5.0 ^a	3.2 ^b	5.3 ^b	3.6 ^b	6.5 ^c	3.2 ^c	5.1 ^a	3.3 ^a
Cape Breton CA	**	**	5.9 ^c	4.6 ^d	1.4 ^a	3.2 ^c	**	0.0 ^c	2.6 ^b	3.3 ^c
Kentville CA	**	**	2.2 ^b	**	3.9 ^d	**	0.0 ^d	**	3.8 ^c	6.9 ^c
Kings, Subd. A SC	n/u	n/u	**	**	5.8 ^b	1.2 ^a	n/u	**	6.2 ^c	0.9 ^a
New Glasgow CA	9.4 ^c	**	4.3 ^b	5.5 ^b	3.0 ^a	2.0 ^a	**	**	3.9 ^b	3.0 ^a
Truro CA	**	**	4.9 ^b	5.5 ^b	5.3 ^a	4.9 ^a	**	**	5.2 ^a	5.2 ^a
Nova Scotia 10,000+	3.8^c	3.2^c	4.9^a	3.5^b	5.0^a	3.7^a	6.0^c	3.2^c	4.9^a	3.5^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 Nova Scotia

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
Halifax CMA	3.4 c	2.1 c	3.4 b	1.7 b	2.8 b	1.3 a	1.9 c	2.4 c	3.5 b	1.5 b
Cape Breton CA	**	**	**	++	**	++	3.5 c	**	**	**
Kentville CA	6.9 b	**	++	++	3.1 d	1.8 c	**	**	++	++
Kings, Subd. A SC	n/u	n/u	**	**	**	1.7 a	n/u	**	**	1.9 a
New Glasgow CA	**	**	++	++	++	**	**	**	3.9 d	**
Truro CA	5.7 d	++	**	2.9 c	1.5 a	3.4 c	++	++	2.1 c	2.9 b
Nova Scotia 10,000+	3.6 c	2.4 c	3.4 b	1.8 b	2.9 b	1.4 a	1.9 c	2.4 c	3.6 b	1.7 b

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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