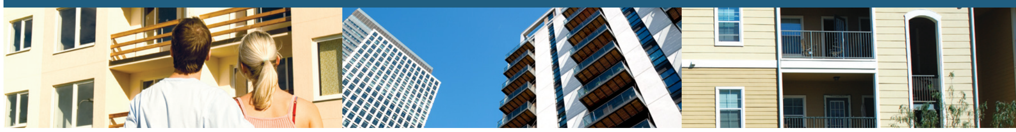
RENTAL MARKET REPORT

Manitoba Highlights*



CANADA MORTGAGE AND HOUSING CORPORATION

Date Released: Fall 2010

Figure 1

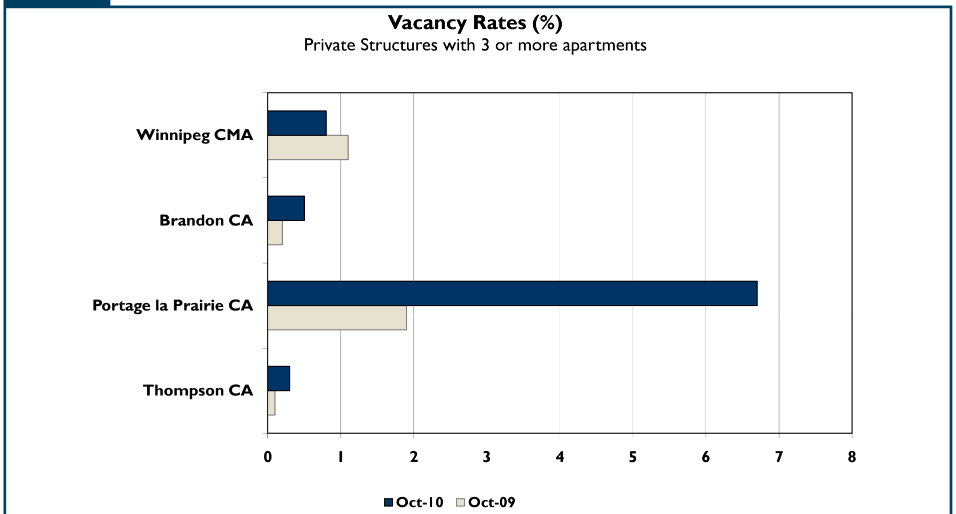
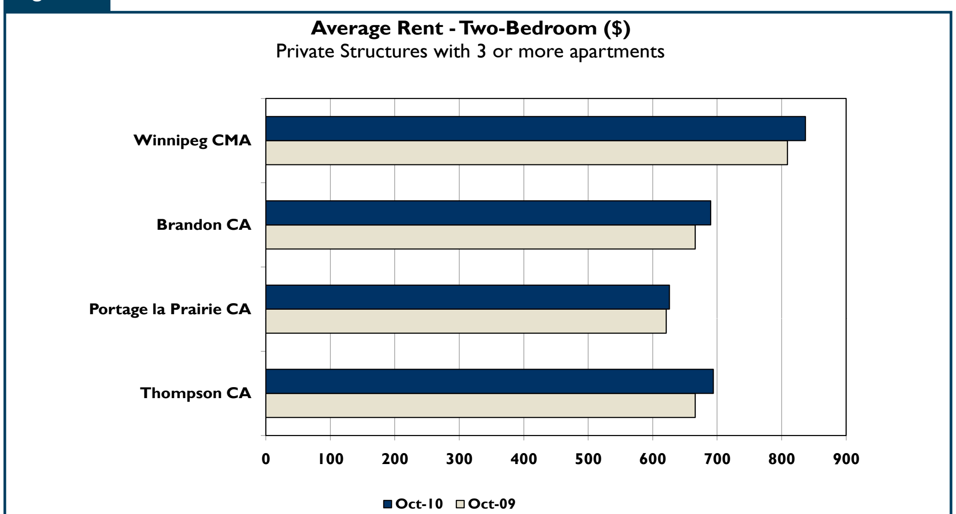


Figure 2



*Urban centres with a population of 10,000 + are included in the survey. Detailed reports are available for CMAs.

Highlights

- The average apartment vacancy rate across urban centres in Manitoba stood at 0.9 per cent in October 2010, down from 1.1 per cent in October 2009.
- The October 2010, apartment vacancy rates ranged from 0.3 per cent in Thompson to 6.7 per cent in Portage la Prairie.
- In the Winnipeg Census Metropolitan Area (CMA), the October 2010 vacancy rate of 0.8 per cent was slightly lower from 1.1 per cent in October 2009.
- The two-bedroom average apartment rent in October 2010 ranged from $626 in Portage la Prairie to $837 in Winnipeg.

Vacancy Rate Lowered in Manitoba

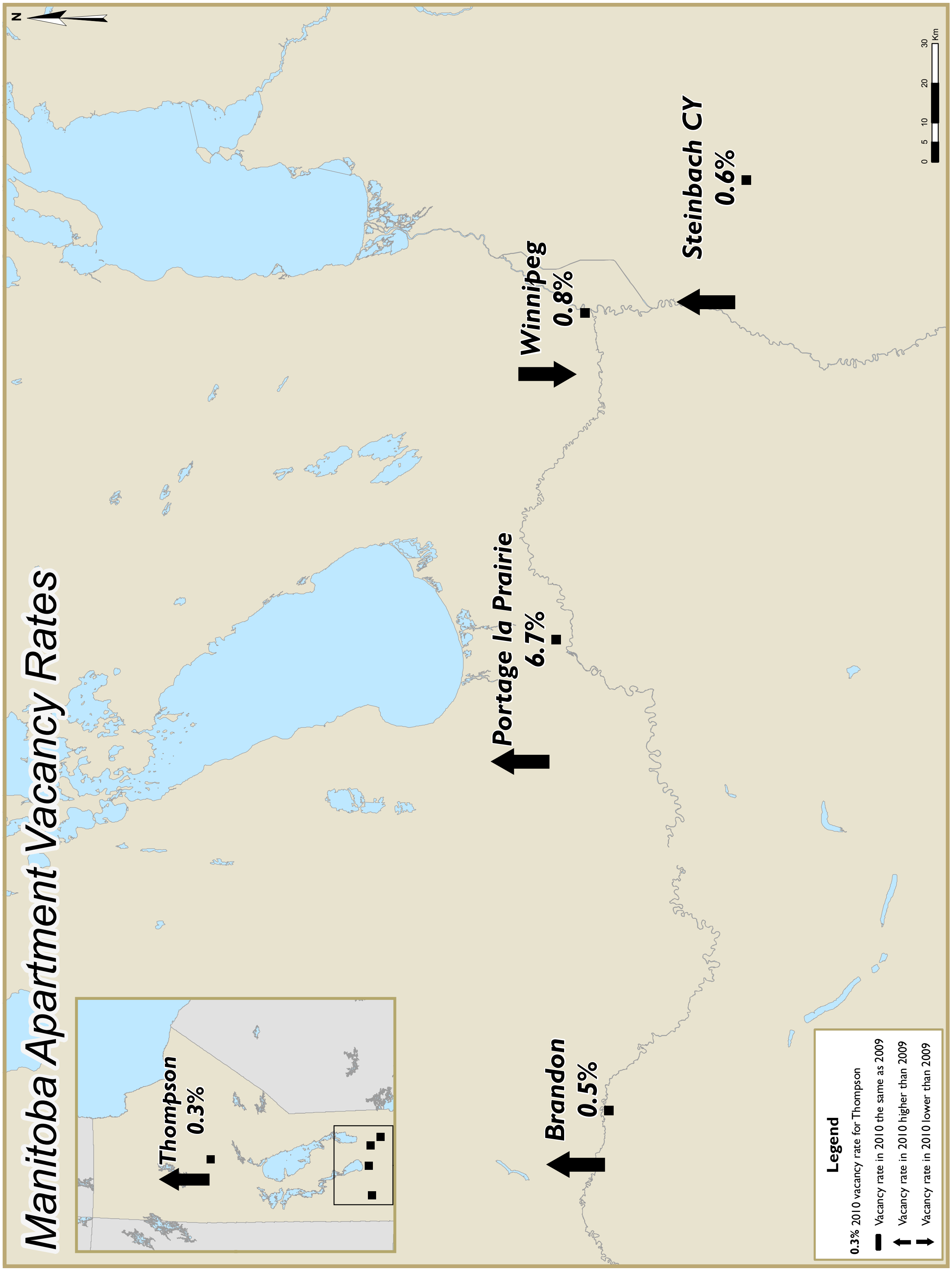
In October 2010, Canada Mortgage and Housing Corporation (CMHC) surveyed 58,113 private rental apartments in Manitoba urban centres with a population of more than 10,000 people. The 506 suites that were found vacant represented a vacancy rate of 0.9 per cent, down from 1.1 per cent one year earlier. Rental demand from international migrants and the removal of 963 suites from the rental universe since the October 2009 survey contributed to the decrease. Manitoba's vacancy rate was the lowest among Canada's provinces.

The Winnipeg CMA had a vacancy rate of 0.8 per cent in October 2010, compared with 1.1 per cent one year prior. Fewer units were found vacant in October 2010 due to heightened demand, while 835 suites were removed from the rental universe since the previous October survey.

The October 2010 vacancy rate was lowest in one and two-bedroom suites (0.8 per cent) and highest in three-bedroom units (1.6 per cent). Another contributor to the low vacancy rate in Winnipeg has been the influx of international immigrants. The majority of international migrants to the province during the first half of this year landed in Winnipeg, increasing the new households that required rental accommodations. The lowest vacancy rate in the province was recorded in Thompson at 0.3 per cent followed by Brandon at 0.5 per cent. In Portage la Prairie, the vacancy rate increased to 6.7 per cent in October 2010 from 1.9 per cent in the previous year.

Average rents in Manitoba increased in 2010 due to the reduced supply of vacant units. In structures common to both the 2010 and 2009 fall surveys, two-bedroom rents across the province's urban centres increased by 4.3 per cent. Bachelor units reported the smallest year-over-year gain in average rents, rising 3.3 per cent in October 2010. The strongest increase of 4.7 per cent in average monthly rents occurred among three-or-more bedroom units. The Winnipeg CMA had the highest average monthly rent for a two-bedroom apartment, which moved from $809 in October 2009 to $837 per month in October 2010. In part due to their elevated vacancy rate, the lowest average two-bedroom rent was in Portage la Prairie at $626 monthly.

The Residential Tenancies Branch's rent increase guideline is one per cent for 2010. There are however some exceptions to the guideline that allow for a larger than one per cent rent increase. New buildings less than 15 years old where occupancies started after April 9, 2001 and new buildings less than 20 years old where occupancies started after March 7, 2005 are the most common. Other scenarios where a building may be exempt from the rent guidelines include premises renting for $1,105 or more per month and approved rehabilitated rental units.


Manitoba Apartment Vacancy Rates
N
Thompson
0.3%
Brandon
0.5%
Portage la Prairie
6.7%
Winnipeg
0.8%
Steinbach CY
0.6%
Legend
0.3% 2010 vacancy rate for Thompson
Vacancy rate in 2010 the same as 2009
Vacancy rate in 2010 higher than 2009
Vacancy rate in 2010 lower than 2009
0 5 10 20 30
Km

1.1.1 Private Apartment Vacancy Rates (%) by Bedroom Type Manitoba

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-09	Oct-10	Oct-09	Oct-10	Oct-09	Oct-10	Oct-09	Oct-10	Oct-09	Oct-10
Winnipeg CMA	2.0 a	1.2 a	1.2 a	0.8 a	1.0 a	0.8 a	1.1 a	1.6 b	1.1 a	0.8 a
Brandon CA	0.0 b	0.0 a	0.6 a	0.5 a	0.1 a	0.5 a	0.0 b	0.0 b	0.2 a	0.5 a
Hanover RM	n/u	n/u	n/u	n/u	n/s	**	n/u	**	n/s	**
Portage la Prairie CA	**	**	2.4 b	8.2 c	0.7 a	5.6 b	7.9 a	8.5 c	1.9 b	6.7 b
Steinbach CY	0.0 a	0.0 a	0.4 a	0.4 a	0.2 a	0.8 a	0.0 a	0.0 a	0.3 a	0.6 a
Thompson CA	0.0 c	0.0 b	0.0 b	0.4 a	0.1 a	0.2 b	0.0 d	0.0 c	0.1 a	0.3 a
Manitoba 10,000+	**1.9 a**	**1.1 a**	**1.1 a**	**0.8 a**	**0.8 a**	**0.9 a**	**1.1 a**	**1.6 b**	**1.1 a**	**0.9 a**

<u>The following letter codes are used to indicate the reliability of the estimates</u>:
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

1.1.2 Private Apartment Average Rents ($) by Bedroom Type Manitoba

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-09	Oct-10	Oct-09	Oct-10	Oct-09	Oct-10	Oct-09	Oct-10	Oct-09	Oct-10
Winnipeg CMA	447 a	488 a	615 a	649 a	809 a	837 a	946 a	1,056 a	690 a	719 a
Brandon CA	415 b	433 a	519 a	541 a	666 a	690 a	805 b	931 a	614 a	645 a
Hanover RM	n/u	n/u	n/u	n/u	n/u	**	n/u	**	n/u	**
Portage la Prairie CA	359 b	344 b	495 a	497 a	621 a	626 a	522 a	609 a	558 a	562 a
Steinbach CY	345 b	437 a	522 a	537 a	660 a	664 a	709 a	**	612 a	615 a
Thompson CA	474 a	549 a	598 a	634 a	666 a	694 a	631 a	719 a	640 a	668 a
Manitoba 10,000+	**445 a**	**486 a**	**610 a**	**643 a**	**788 a**	**815 a**	**923 a**	**1,022 a**	**683 a**	**711 a**

<u>The following letter codes are used to indicate the reliability of the estimates (cv = coefficient of variation)</u>:
a - Excellent ($0 \le cv \le 2.5$), b- Very good ($2.5 < cv \le 5$), c - Good ($5 < cv \le 7.5$), d - Fair (Use with Caution) ($7.5 < cv \le 10$)
** 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

Please click Methodology or Data Reliability Tables Appendix link for more details

1.1.3 Number of Private Apartment Units Vacant and Universe in October 2010 by Bedroom Type Manitoba

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total
Winnipeg CMA	42 a	3,614	209 a	26,985	175 a	20,823	14 b	897	441 a	52,319
Brandon CA	0 a	91	5 a	1,016	9 a	1,925	0 b	91	14 a	3,124
Hanover RM	n/u	n/u	n/u	n/u	**	**	**	**	**	**
Portage la Prairie CA	**	24	21 c	253	18 b	326	2 c	24	42 b	628
Steinbach CY	0 a	29	1 a	240	3 a	397	0 a	8	4 a	674
Thompson CA	0 b	44	2 a	494	1 b	773	0 c	28	3 a	1,339
Manitoba 10,000+	**43 a**	**3,803**	**238 a**	**28,988**	**208 a**	**24,268**	**16 b**	**1,054**	**506 a**	**58,113**

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

1.1.4 Private Apartment Availability Rates (%) by Bedroom Type Manitoba

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-09	Oct-10	Oct-09	Oct-10	Oct-09	Oct-10	Oct-09	Oct-10	Oct-09	Oct-10
Winnipeg CMA	3.0 a	1.5 a	1.9 a	1.3 a	1.9 a	1.6 a	2.2 a	2.4 b	2.0 a	1.4 a
Brandon CA	1.1 a	0.0 a	1.0 a	1.5 a	0.7 a	1.5 a	0.0 b	0.0 b	0.8 a	1.4 a
Hanover RM	n/u	n/u	n/u	n/u	n/s	**	n/u	**	n/s	**
Portage la Prairie CA	**	**	2.4 b	8.2 c	0.7 a	5.9 b	7.9 a	8.5 c	1.9 b	6.9 b
Steinbach CY	0.0 a	0.0 a	2.4 a	0.4 a	0.7 a	1.0 a	0.0 a	0.0 a	1.3 a	0.7 a
Thompson CA	0.0 c	0.0 b	0.0 b	0.7 a	0.1 a	0.4 a	0.0 d	0.0 c	0.1 a	0.5 a
Manitoba 10,000+	**2.9 a**	**1.5 a**	**1.8 a**	**1.3 a**	**1.7 a**	**1.6 a**	**2.0 a**	**2.2 a**	**1.8 a**	**1.5 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)
** 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

1.1.5 Private Apartment Estimate of Percentage Change (%) of Average Rent[1] by Bedroom Type Manitoba

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-08 to Oct-09	Oct-09 to Oct-10	Oct-08 to Oct-09	Oct-09 to Oct-10	Oct-08 to Oct-09	Oct-09 to Oct-10	Oct-08 to Oct-09	Oct-09 to Oct-10	Oct-08 to Oct-09	Oct-09 to Oct-10
Winnipeg CMA	4.6 d	3.4 c	3.9 a	3.8 a	4.3 a	4.5 b	4.4 d	4.8 c	3.9 a	3.6 a
Brandon CA	3.9 c	++	4.0 b	3.0 c	2.3 b	4.3 b	++	++	3.0 a	4.1 b
Hanover RM	n/u	n/u	n/u	n/u	n/u	n/u	n/u	n/u	n/u	n/u
Portage la Prairie CA	**	++	2.5 b	2.1 c	3.3 b	1.3 a	++	**	3.3 c	1.5 c
Steinbach CY	4.3 a	**	4.8 a	2.0 b	4.4 a	-0.3 b	1.5 c	**	4.1 a	1.7 b
Thompson CA	4.9 d	++	4.5 d	1.4 d	3.3 c	2.8 c	2.2 a	4.4 d	3.7 c	2.4 c
Manitoba 10,000+	**4.6** d	**3.3** c	**3.9** a	**3.7** a	**4.1** a	**4.3** b	**4.3** d	**4.7** c	**3.8** a	**3.5** a

[1]The 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.

<u>The following letter codes are used to indicate the reliability of the estimates</u>:
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 October 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 from 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. In October 2006, CMHC has introduced a new measure for the change in rent that is calculated based on existing structures only. This estimate is based on structures that were common to the survey sample the previous year and the current year of the Rental Market Survey. 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 the Rental Market Report – Canada Highlights , Provincial Highlights, and the local Rental Market Reports. 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.

METHODOLOGY FOR SECONDARY RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts a survey of the **Secondary Rental Market** (SRMS) in September and October to estimate the relative strengths in the secondary rental market which is defined as those dwellings not covered by the regular RMS. CMHC has identified the following dwelling components to be included in SRMS:

• Rented single-detached houses.
• Rented double (semi-detached) houses (i.e.. Two units of approximate equal size and under one roof that are situated either side-by-side or front-to-back).
• Rented freehold row/town homes.
• Rented duplex apartments (i.e.. one-above-other).
• Rented accessory apartments (separate dwelling units that are located within the structure of another dwelling type).
• Rented condominiums (can be any dwelling type but are primarily apartments).
• One or two apartments which are part of a commercial or other type of structure.

The SRMS has three components which are conducted in selected CMAs:

• A Household Rent Survey of all households to collect information about rents.
• A Condominium Apartment Rent Survey of households living in condominium apartments to collect information about rents.
• A Condominium Apartment Vacancy Survey of condominium apartment owners to collect vacancy information.

All three surveys are conducted by telephone interviews. For the condominium apartment vacancy survey, information is obtained from the owner, manager, or building superintendent and can be supplemented by site visits if no telephone contact is made. For the other two surveys, information is collected from an adult living in the household. All surveys are conducted in September and October, and the results reflect market conditions at that time.

CMHC publishes the number of units rented and vacancy rates for the condominium vacancy survey. For the condominium rent and household rent surveys, the average rent is published. A letter code representing the statistical reliability (i.e., the coefficient of variation (CV)) for each estimate is provided to indicate the data reliability. Rented condominium apartments were surveyed in the following CMAs: Vancouver, Victoria, Calgary, Edmonton, Regina, Saskatoon, Toronto, Ottawa, Montréal and Québec (NOTE: condo rent data was not collected for Regina and Saskatoon). Other secondary rental market units were surveyed in Abbotsford, Barrie, Calgary, Edmonton, Halifax, Montreal, Ottawa, Quebec, St. John's, Toronto, Regina, Saskatoon, Kelowna, Vancouver and Victoria.

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 2001 and 2006 Census area definitions.

Acknowledgement

The Rental Market Survey and the Secondary Rental Market Survey could not have been conducted without the cooperation of the rental property owners, managers, building superintendents and household members 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.

Rental Affordability Indicator

Canada Mortgage and Housing Corporation has developed a new rental affordability indicator to gauge how affordable a rental market is for those households which rent within that market. The level of income required for a household to rent a median priced two-bedroom apartment, using 30 per cent of its income, is calculated. The three-year moving average of median income of renters' households in a centre is then divided by this required income. The resulting number is then multiplied by 100 to form the indicator. A value above 100 indicates that less than 30 per cent of the median income is required to rent a two-bedroom apartment, conversely, a value below 100 indicates that more than 30 per cent of the median income is required to rent the same unit. In general, as the indicator increases, the market becomes more affordable; as the indicator declines, the market becomes less affordable.

Median renter household income estimates used in the calculation of the rental affordability indicator are based on results of Statistics Canada's Survey of Labour and Income Dynamics. Results for this survey are available from 1994 to 2005. CMHC has developed forecasts of median renter household income since 2006.

CMHC—HOME TO CANADIANS

Canada Mortgage and Housing Corporation (CMHC) has been Canada's national housing agency for more than 60 years.

Together with other housing stakeholders, we help ensure that the Canadian housing system remains one of the best in the world. We are committed to helping Canadians access a wide choice of quality, environmentally sustainable and affordable homes – homes that will continue to create vibrant and healthy communities and cities across the country.

For more information, visit our website at www.cmhc.ca

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