

RENTAL MARKET REPORT

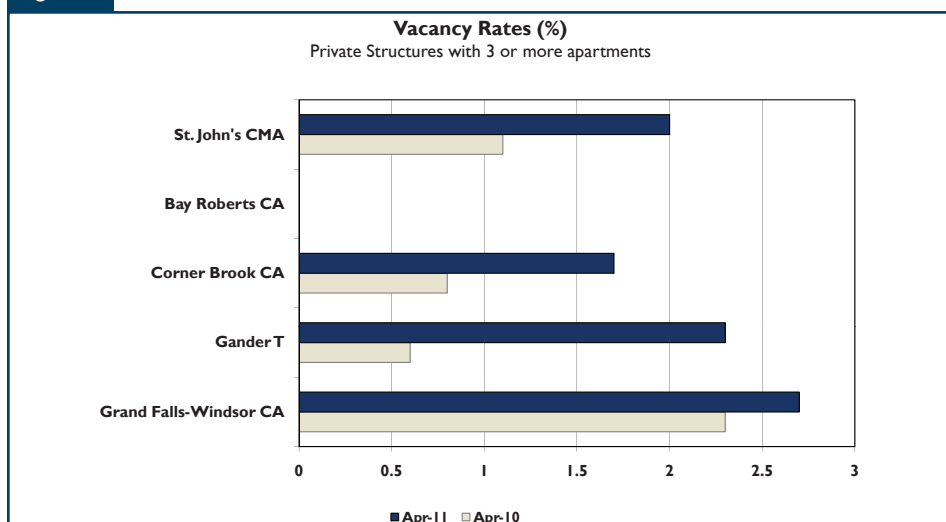
Newfoundland and Labrador Highlights*



CANADA MORTGAGE AND HOUSING CORPORATION

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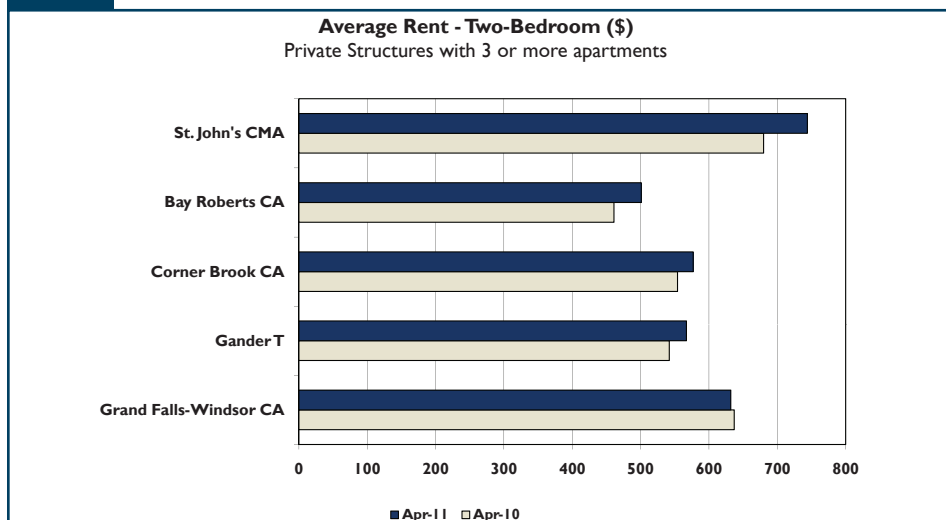
Figure 1



Vacancy Rates Up Across Province

- The overall provincial vacancy rate was 2.1 per cent in April 2011, up from 1.1 per cent in April 2010.
- A strong economy kept vacancies near historic lows in the St. John's CMA, with a vacancy rate of 2.0 per cent in the spring of 2011.
- Corner Brook CA had the lowest vacancy rate at 1.7 per cent.
- Average two bedroom rent was \$683 across the five urban centres surveyed.

Figure 2



Overview

According to the CMHC Spring Rental Market Survey conducted in April 2011, the overall vacancy rate¹ was up in provincial urban centres². The overall vacancy rate was 2.1 per cent in April 2011, with 107 of the 5,023 units surveyed vacant. This represents an increase of one percentage point from last year's rate of 1.1 per cent. The vacancy rate was highest in Grand Falls-Windsor, while the lowest vacancy rate recorded was in Corner Brook. As expected, average rents were highest within St. John's, with Bay Roberts posting the lowest rents.

The St. John's rental market posted a vacancy rate of two per cent in April 2011 compared to 1.1 per cent in April 2010. This translates into 70 vacant units out of the 3,467 units surveyed. With an active labour market attracting more immigrants in the region, population growth will continue to create rental demand, as recent immigrants tend to rent first before moving to homeownership. High home prices and a strong economy are also supporting demand for rental units. These factors, coupled with limited new rental supply being added to the market, continue to keep the vacancy rate low.

With a hospital, a large university campus and a stable economy, Corner Brook posted the lowest vacancy rate in the province at 1.7 per cent this spring compared to 0.8 per cent a year ago. With conditions expected to remain stable within the western region hub, the Corner Brook rental

market will continue to see low vacancies and higher rents.

Gander posted a vacancy rate of 2.3 per cent this spring compared to 0.6 per cent last year, and continues to be positively impacted by steady employment in this centrally located service hub. Grand Falls-Windsor posted a vacancy rate of 2.7 per cent in April, a vacancy rate comparable to last year. The central town's economy has performed very well, despite the recent closure of the Abitibi pulp and paper mill.

Average Rents

Overall, the average two bedroom rent was \$683 across the five urban centres surveyed. Increases were recorded in every centre, except Grand Falls-Windsor, where rents were virtually unchanged, but remain the highest outside the St. John's area. The highest average two bedroom rent recorded was \$744 in St. John's, while Bay Roberts posted the lowest average rent at \$501. The remaining average two bedroom rents were \$577 in Corner Brook; \$567 in Gander and \$632 in Grand Falls-Windsor.

Based on structures common to both the 2010 and 2011 surveys³, overall average rents increased, with the exception of Bay Roberts and Grand Falls-Windsor, where figures were not available. In St. John's, the average rent increased 9.4 per cent. In Corner Brook, the increase was 4.6 per cent, while in Gander the increase was 6.3 per cent.

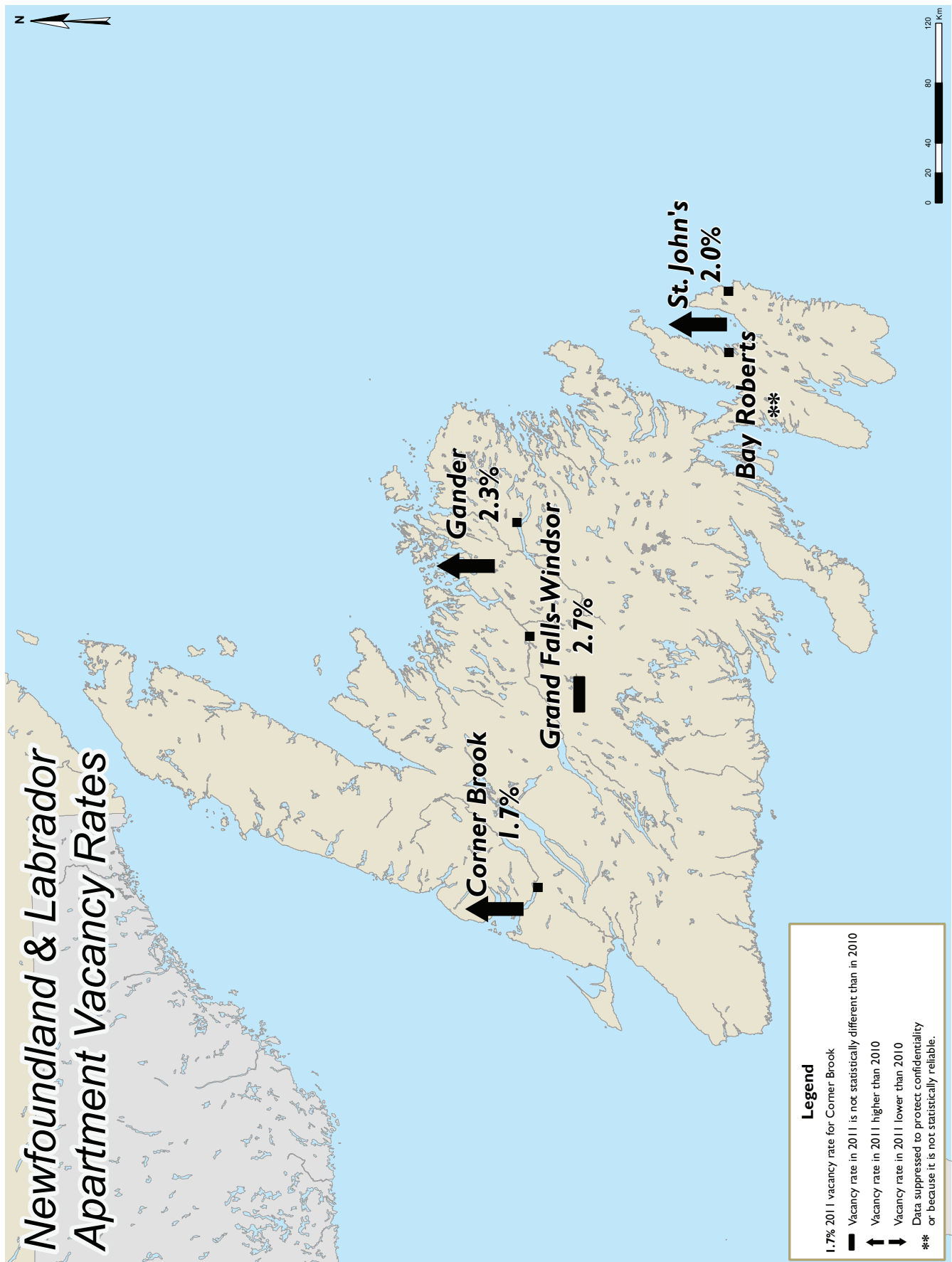
Availability Rates

Consistent with the slightly higher vacancy rate pattern, the availability rate ranged from a high of 2.7 per cent in Grand Falls-Windsor, to a low of 1.7 per cent in Corner Brook. The availability rate was 2.3 per cent in the Gander area, while St. John's recorded a rate of 2.6 per cent.

¹ Based on privately-initiated rental apartments structures of three or more units.

² Urban centres are defined as centres with a population of over 10,000. Census metropolitan areas (CMA) are based on Statistics Canada definition.

³ When comparing year-over-year average rents, the age of the building needs to be taken into consideration because rents in newly-built structures tend to be higher than in existing buildings. By comparing rents for units that are common to both 2010 and 2011 Spring rental market surveys, we can get a better indication of actual rent increases paid by most tenants.



1.1.1 Private Apartment Vacancy Rates (%) by Bedroom Type Newfoundland and Labrador

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-10	Apr-11	Apr-10	Apr-11	Apr-10	Apr-11	Apr-10	Apr-11	Apr-10	Apr-11
St. John's CMA	2.0 c	4.8 b	1.3 a	1.5 a	0.7 a	1.5 a	1.8 c	3.7 d	1.1 a	2.0 a
Bay Roberts CA	n/u	n/u	**	**	**	**	**	**	**	**
Corner Brook CA	0.0 a	0.0 a	2.4 a	3.4 b	0.3 a	1.0 a	0.0 c	2.5 a	0.8 a	1.7 a
Gander T	n/u	**	0.6 a	2.5 a	0.5 a	2.2 a	2.9 a	2.7 a	0.6 a	2.3 a
Grand Falls-Windsor CA	**	0.0 a	4.2 c	1.1 a	1.7 a	3.2 c	**	**	2.3 a	2.7 b
Newfoundland & Labrador 10,000+	2.1 b	4.4 b	1.4 a	1.7 a	0.8 a	1.9 a	1.6 c	3.4 c	1.1 a	2.1 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

1.1.2 Private Apartment Average Rents (\$) by Bedroom Type Newfoundland and Labrador

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-10	Apr-11	Apr-10	Apr-11	Apr-10	Apr-11	Apr-10	Apr-11	Apr-10	Apr-11
St. John's CMA	545 a	573 a	607 a	676 a	680 a	744 a	742 a	777 a	653 a	711 a
Bay Roberts CA	n/u	n/u	**	**	461 a	501 a	**	**	464 a	495 a
Corner Brook CA	447 a	443 a	483 a	489 a	554 a	577 a	652 a	740 a	538 a	562 a
Gander T	n/u	**	473 a	518 a	542 a	567 a	619 a	662 a	528 a	562 a
Grand Falls-Windsor CA	**	**	505 a	514 a	637 a	632 a	**	**	612 a	610 a
Newfoundland & Labrador 10,000+	535 a	561 a	571 a	632 a	640 a	683 a	716 a	758 a	620 a	666 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 2011 by Bedroom Type Newfoundland and Labrador

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total
St. John's CMA	17 b	357	16 a	1,081	27 a	1,745	11 d	285	70 a	3,467
Bay Roberts CA	n/u	n/u	**	**	**	27	**	**	**	32
Corner Brook CA	0 a	22	4 b	123	3 a	294	1 a	39	8 a	478
Gander T	**	**	3 a	121	9 a	408	1 a	37	13 a	567
Grand Falls-Windsor CA	0 a	7	1 a	91	12 c	370	**	**	13 b	479
Newfoundland & Labrador 10,000+	17 b	387	24 a	1,419	53 a	2,845	13 c	373	107 a	5,023

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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1.1.4 Private Apartment Availability Rates (%) by Bedroom Type Newfoundland and Labrador

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-10	Apr-11	Apr-10	Apr-11	Apr-10	Apr-11	Apr-10	Apr-11	Apr-10	Apr-11
St. John's CMA	2.5 b	4.8 b	1.8 b	1.7 a	1.5 a	2.4 a	3.2 c	4.4 d	1.8 a	2.6 a
Bay Roberts CA	n/u	n/u	**	**	**	**	**	**	**	**
Corner Brook CA	0.0 a	0.0 a	2.4 a	3.4 b	0.3 a	1.0 a	0.0 c	2.5 a	0.8 a	1.7 a
Gander T	n/u	**	0.6 a	2.5 a	0.5 a	2.2 a	2.9 a	2.7 a	0.6 a	2.3 a
Grand Falls-Windsor CA	**	0.0 a	6.8 c	1.1 a	1.7 a	3.2 c	**	**	2.7 a	2.7 b
Newfoundland & Labrador 10,000+	2.6 b	4.4 b	2.0 a	1.9 a	1.3 a	2.4 a	2.8 b	3.9 c	1.7 a	2.5 a

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

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1.1.5 Private Apartment Estimate of Percentage Change (%) of Average Rent¹ by Bedroom Type Newfoundland and Labrador

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-09 to Apr-10	Apr-10 to Apr-11	Apr-09 to Apr-10	Apr-10 to Apr-11	Apr-09 to Apr-10	Apr-10 to Apr-11	Apr-09 to Apr-10	Apr-10 to Apr-11	Apr-09 to Apr-10	Apr-10 to Apr-11
St. John's CMA	9.2 b	**	4.8 b	11.1 d	5.0 a	9.0 c	8.6 c	6.2 b	5.7 a	9.4 c
Bay Roberts CA	n/u	n/u	**	**	**	**	**	**	**	**
Corner Brook CA	**	**	7.1 a	4.2 c	7.1 a	4.2 b	**	**	6.5 a	4.6 b
Gander T	n/u	**	3.3 a	8.4 a	3.5 a	6.1 a	7.8 a	5.5 a	3.9 a	6.3 a
Grand Falls-Windsor CA	**	**	**	**	2.6 a	**	**	**	2.2 a	**
Newfoundland & Labrador 10,000+	8.7 b	**	4.6 b	9.0 c	4.7 a	7.4 c	7.0 b	7.0 a	5.2 a	7.8 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 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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