HOUSING MARKET INFORMATION

RENTAL MARKET REPORT

Nova Scotia Highlights*

CANADA MORTGAGE AND HOUSING CORPORATION

Date Released: Spring 2011

Two-Bedroom Vacancy Rates Increase in Nova Scotia

- The overall vacancy rate in Nova Scotia's urban centres remained relatively stable at 3.0 per cent in April 2011.
- Vacancy rates increased in two-bedroom units to 3.5 per cent in April 2011 from 3.0 per cent in April 2010 while the average rent was $848.
- Halifax CMA recorded a vacancy rate of 2.8 per cent in April 2011, a level comparable to last year's vacancy rate.
- The two-bedroom average rent in the province increased 2.4 per cent in April (based on structures common to both the 2010 and 2011 surveys).

Figure 1

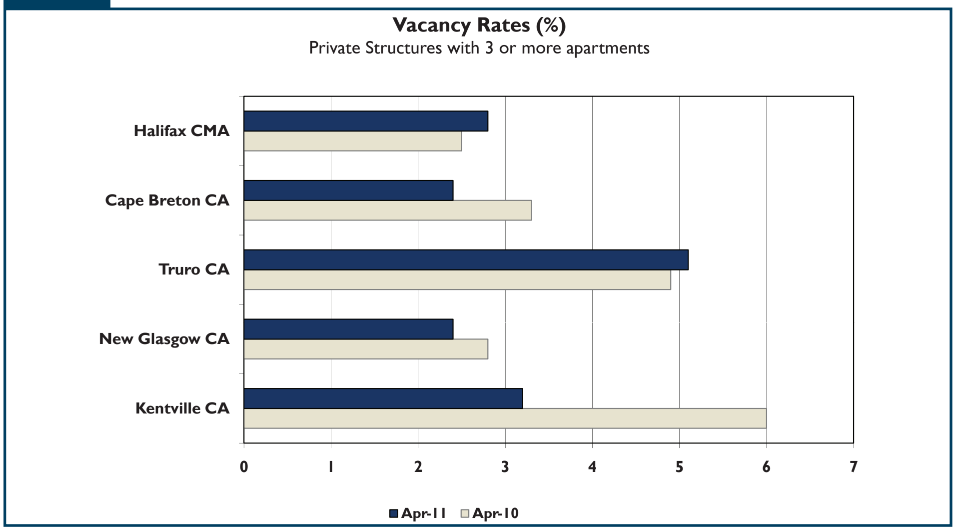
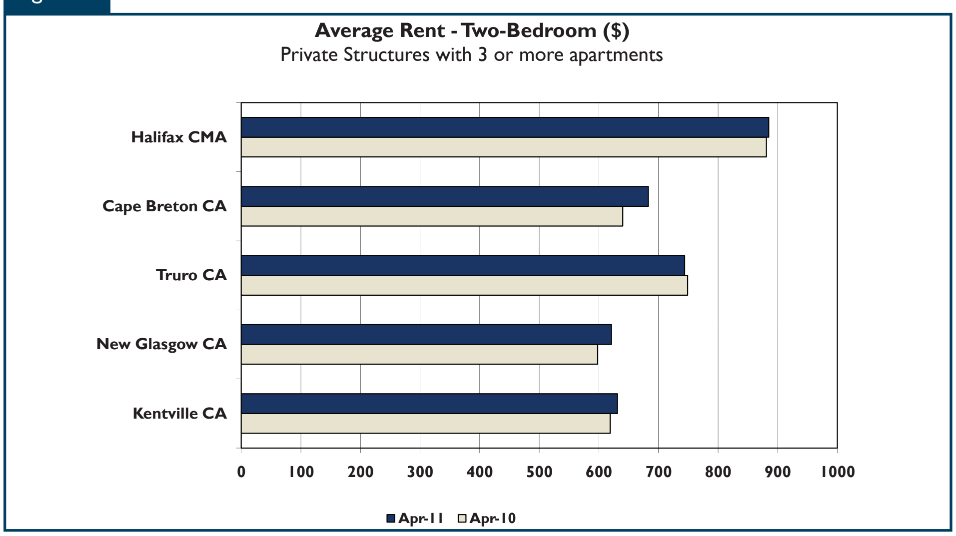


Figure 2



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Overview

The overall vacancy rate[1] in urban centres[2] in Nova Scotia remained relatively stable at 3.0 per cent in April of 2011, compared to 2.8 per cent in April 2010. The average rent in the province increased 2.9 per cent over the same period for units common to both the 2010 and 2011 spring surveys[3].

A variety of factors impacted the rental market in the last year. Provincial employment and wages remained near record highs, though most of the growth in employment was driven by increases in part-time positions. In terms of wages, only modest real wage growth was reported provincially. As a result, many existing renters were more likely to remain in their current accommodations and less likely to move into homeownership. This supported demand for rental units.

Migration to the province recorded its first quarterly net loss in the fourth quarter of 2010 after reporting 12 consecutive quarters of positive net-migration. Despite the net loss, international immigration remained strong and contributed to an increase in demand for rental units as many immigrants tend to rent upon their arrival in a new province or city.

Two-bedroom units make up about 42 per cent of the total provincial rental stock and roughly 50 per cent of the total rental stock in Halifax. The influence on the overall rental market from this segment is substantial. In April 2011, the vacancy rate increased in this bedroom-type from 3.0 to 3.5 per cent compared to April 2010.

The increase in the vacancy rate for two-bedroom units in Halifax to 3.5 per cent from 2.9 per cent a year ago can be largely attributed to the increase in the rental market universe and the impact additional supply has had on the market. The number of two-bedroom units surveyed in 2011 was nearly 1,900 units higher than in 2010 and exerted upward pressure on the vacancy rate.

Vacancy Rate Trends

Changes in the vacancy rate varied across the province in 2011. The Halifax CMA, which accounts for about 84 per cent of the provincial rental universe, reported a relative stability in apartment vacancy rates at 2.8 per cent in April 2011. Cape Breton and Kentville both recorded decreases in vacancies as rates declined from 3.3 to 2.4 per cent and from 6.0 to 3.2 per cent between April 2010 and April 2011, respectively. In New Glasgow, the vacancy rate decreased from 2.8 per cent last year to 2.4 per cent in April 2011. In Truro, the second largest rental market, the vacancy rate remained relatively stable at 5.1 per cent in April 2011.

About half of all rental units in Nova Scotia are two-bedroom units. This type of unit recorded the highest vacancy rate in the province at 3.5 per cent last spring. One-bedroom units comprise over one-third of the provincial rental market universe and reported a below average vacancy rate of 2.4 per cent. Bachelor-style units represent about six per cent of the total rental market and recorded little change in the average vacancy rate compared to last year at 1.8 per cent in April 2011. Three-bedroom units comprise about seven per cent of the provincial rental universe and recorded a vacancy rate of 2.7 per cent, unchanged from last year.

Average Rents

The overall average rent in Nova Scotia in April of 2011 was $803 and the average rent for a two-bedroom unit was $848. Halifax recorded the highest average two-bedroom rent at $885, followed by Truro at $744 and Cape Breton at $683 per month.

Based on structures common to both the 2011 and 2010 spring surveys, the average rent in the province increased by 2.9 per cent in 2011. The provincial increase was largely driven by a 2.8 per cent increase in rent in the Halifax CMA. The largest rent increase this year was in Cape Breton at four per cent, while Truro and Kentville recorded increases of 1.6 and 1.4 per cent, respectively.

Availability Rates

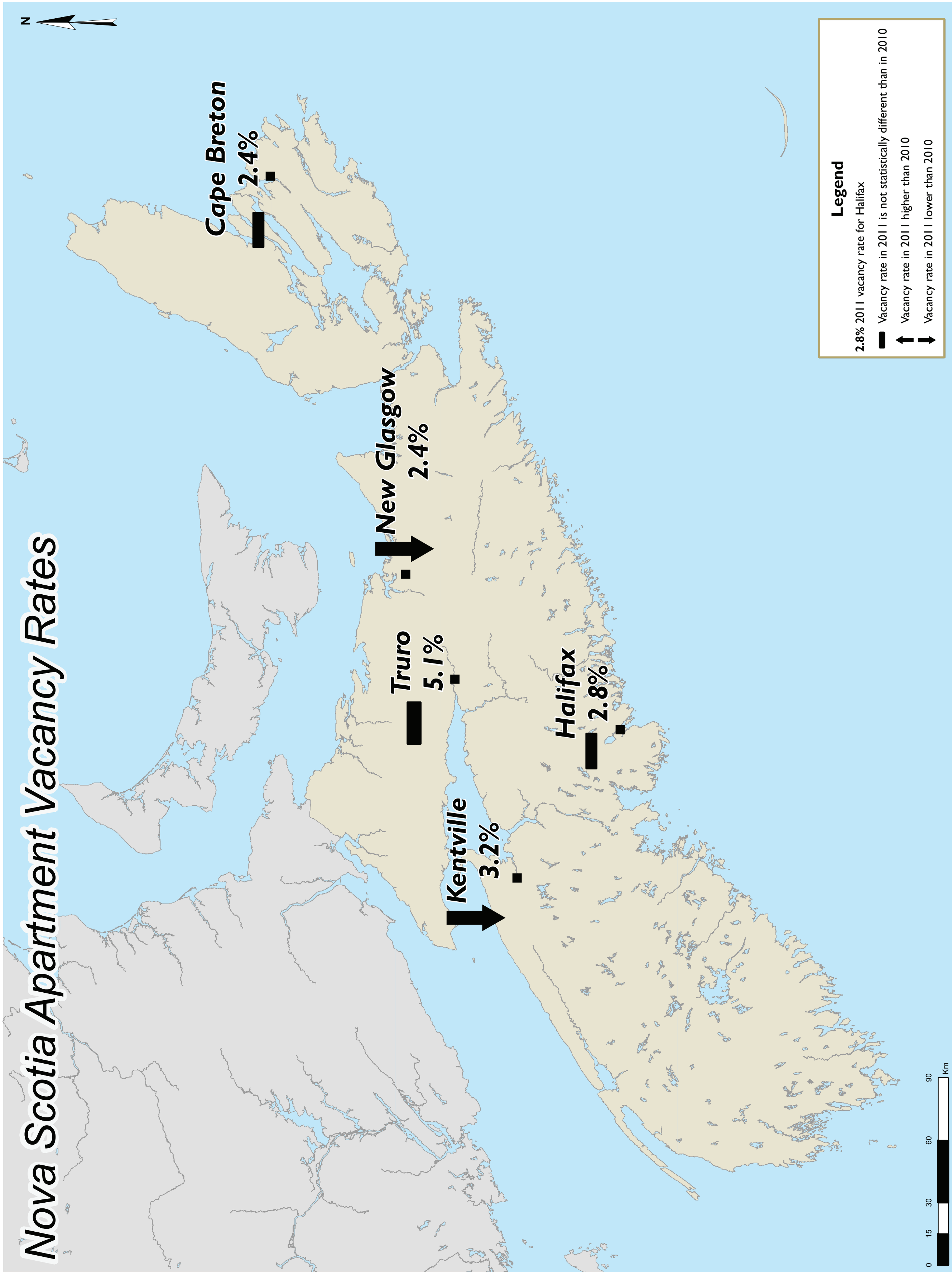
Availability rates in Nova Scotia increased in April to 3.9 per cent in April 2011 compared to 3.5 per cent last year. A unit is considered available if the existing tenant has given or received notice to vacate the unit and a new tenant has not yet signed a lease; or the unit is vacant.

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.

The largest increase in availability rates was recorded in three-bedroom plus units where the rate increased to 4.5 per cent this year from 3.2 per cent in 2010. Two-bedroom units reported an increase in the availability rate to 4.3 per cent compared to 3.7 per cent last year. Bachelor units recorded a decline to 2.6 per cent from 3.2 per cent last year while one-bedroom units remained unchanged with an availability rate of 3.5 per cent.


Nova Scotia Apartment Vacancy Rates
N
Cape Breton
2.4%
New Glasgow
2.4%
Truro
5.1%
Halifax
2.8%
Kentville
3.2%
Legend
2.8% 2011 vacancy rate for Halifax
Vacancy rate in 2011 is not statistically different than in 2010
Vacancy rate in 2011 higher than 2010
Vacancy rate in 2011 lower than 2010
0
15
30
60
90
Km

1.1.1 Private Apartment Vacancy Rates (%) by Bedroom Type Nova Scotia

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
Halifax CMA	1.2 a	1.6 c	2.2 a	2.1 a	2.9 a	3.5 b	2.7 c	2.7 c	2.5 a	2.8 a
Cape Breton CA	**	2.8 c	4.6 d	2.9 c	3.2 c	2.3 b	0.0 c	1.7 c	3.3 c	2.4 b
Kentville CA	**	3.6 d	**	2.0 c	4.9 d	3.8 d	**	0.0 d	6.0 c	3.2 c
Kings, Subd. A SC	n/u	n/u	**	**	**	0.0 c	**	**	**	0.0 c
New Glasgow CA	**	3.4 c	5.5 b	4.1 b	1.7 a	1.6 a	**	0.0 c	2.8 a	2.4 a
Truro CA	**	**	5.2 b	5.5 c	4.5 b	4.9 b	**	**	4.9 a	5.1 b
Nova Scotia 10,000+	**1.9 b**	**1.8 b**	**2.6 a**	**2.4 a**	**3.0 a**	**3.5 a**	**2.7 b**	**2.7 c**	**2.8 a**	**3.0 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)
** Data supresses 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 Nova Scotia

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
Halifax CMA	658 a	650 a	711 a	736 a	881 a	885 a	1,032 a	1,109 a	808 a	833 a
Cape Breton CA	449 b	482 a	519 a	533 a	640 a	683 a	820 a	815 c	612 a	631 a
Kentville CA	472 a	481 a	540 b	551 b	619 a	631 a	695 b	659 a	593 a	598 a
Kings, Subd. A SC	n/u	n/u	539 a	514 a	602 a	598 a	**	**	616 a	612 a
New Glasgow CA	433 a	478 b	504 a	540 a	598 a	621 a	**	605 c	563 a	585 a
Truro CA	466 a	484 a	582 a	576 a	749 a	744 a	801 b	797 b	694 a	686 a
Nova Scotia 10,000+	**632 a**	**623 a**	**694 a**	**715 a**	**842 a**	**848 a**	**1,000 a**	**1,082 a**	**783 a**	**803 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 supresses 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 April 2011 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	39	c	2,435	311	a	14,920	707	b	20,205	81	c	3,009	1,137	a	40,569
Cape Breton CA	4	c	145	14	c	472	25	b	1,124	2	c	125	45	b	1,866
Kentville CA	4	d	100	7	c	359	31	d	817	0	d	36	42	c	1,312
Kings, Subd. A SC	n/u		n/u	**		10	0	c	92	**		**	0	c	111
New Glasgow CA	3	c	89	14	b	337	11	a	723	0	c	31	28	a	1,180
Truro CA	**		109	41	c	737	84	b	1,724	**		78	134	b	2,648
Nova Scotia 10,000+	**53**	**b**	**2,880**	**415**	**a**	**16,968**	**876**	**a**	**24,929**	**89**	**c**	**3,322**	**1,431**	**a**	**48,098**

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 supresses 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 Nova Scotia

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	
Halifax CMA	2.8	b	2.5	b	3.2	b	3.2	b	3.6	b	4.5	b	3.2	c	4.6	c	3.3	a	3.9	a
Cape Breton CA	**		2.8	c	4.6	d	2.9	c	3.2	c	2.3	b	0.0	c	1.7	c	3.3	c	2.4	b
Kentville CA	**		3.6	d	**		2.0	c	**		4.0	d	**		0.0	d	6.9	c	3.3	c
Kings, Subd. A SC	n/u		n/u		**		**		1.2	a	0.0	c	**		**		0.9	a	0.0	c
New Glasgow CA	**		3.4	c	5.5	b	4.7	b	2.0	a	2.0	a	**		0.0	c	3.0	a	2.8	a
Truro CA	**		**		5.5	b	5.5	c	4.9	a	4.9	b	**		**		5.2	a	5.1	b
Nova Scotia 10,000+	**3.2**	**c**	**2.6**	**b**	**3.5**	**b**	**3.5**	**b**	**3.7**	**a**	**4.3**	**a**	**3.2**	**c**	**4.5**	**c**	**3.5**	**a**	**3.9**	**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 supresses 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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1.1.5 Private Apartment Estimate of Percentage Change (%) of Average Rent[1] by Bedroom Type Nova Scotia

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	
Halifax CMA	2.1	c	3.2	d	1.7	b	3.1	c	1.3	a	2.4	b	2.4	c	2.6	c	1.5	b	2.8	a
Cape Breton CA	**		++		++		**		++		4.3	d	**		**		**		4.0	d
Kentville CA	**		4.1	d	++		++		1.8	c	1.5	a	**		**		++		1.4	a
Kings, Subd. A SC	n/u		n/u		**		**		1.7	a	**		**		**		1.9	a	**	
New Glasgow CA	**		**		++		**		**		**		**		**		**		**	
Truro CA	++		++		2.9	c	++		3.4	c	1.8	c	++		++		2.9	b	1.6	c
Nova Scotia 10,000+	**2.4**	c	**2.8**	c	**1.8**	b	**3.0**	c	**1.4**	a	**2.4**	b	**2.4**	c	**2.6**	c	**1.7**	b	**2.9**	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 supresses 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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