

# RENTAL MARKET REPORT

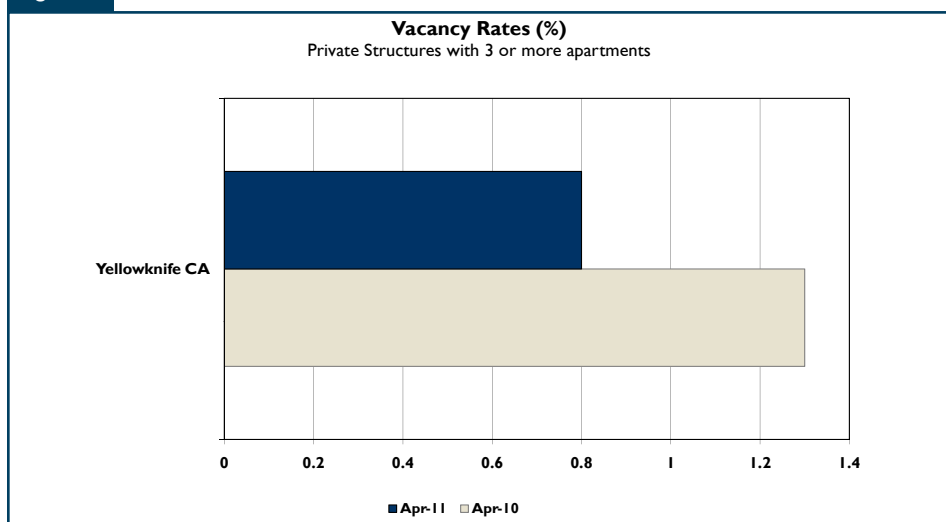
## Yellowknife Highlights\*



CANADA MORTGAGE AND HOUSING CORPORATION

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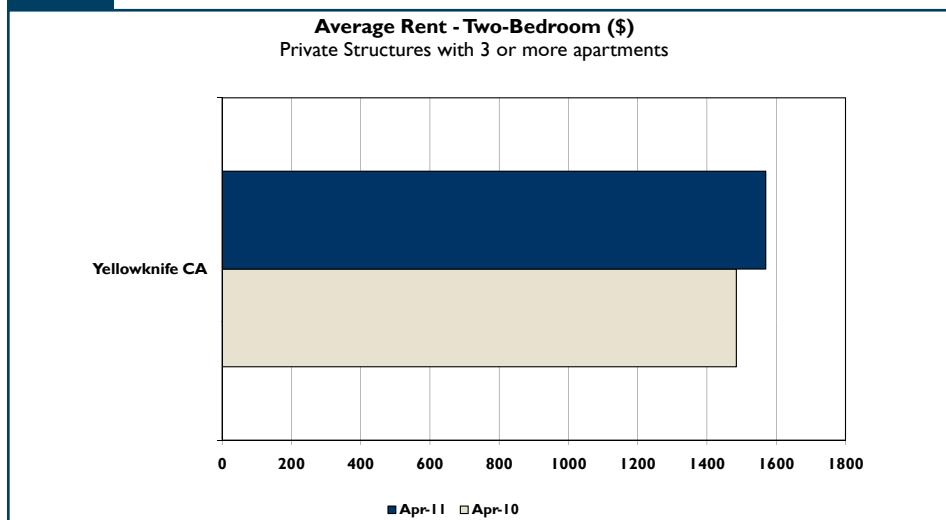
Figure 1



### Highlight Box

- In Yellowknife, the apartment vacancy rate lowered to 0.8 per cent this April from 1.3 per cent last spring.
- The apartment availability rate rose to 1.5 per cent this spring from 1.3 per cent in April 2010.
- The average rent for two-bedroom apartments increased from \$1,485 per month last spring to \$1,570 this April.

Figure 2



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

## Vacancy Rate Lowered in Yellowknife

In April 2011, Canada Mortgage and Housing Corporation (CMHC) surveyed 1,764 private rental apartments in Yellowknife. A total of 14 suites were found vacant, representing a vacancy rate<sup>1</sup> of 0.8 per cent, down from 1.3 per cent one year earlier. Fuelled by last year's robust economic expansion, new jobs were created in the Territory, supporting rental demand. On the supply side, seven fewer units were identified in the universe between the two April surveys.

In April 2011, the lowest vacancy rate was recorded in three-bedroom units at 0.6 per cent, followed by one and two-bedroom suites at 0.7 and 0.8 per cent, respectively. April's vacancy rate was highest in bachelor suites at 2.1 per cent.

Vacancies across all bedroom types decreased except for two-bedroom units. Bachelor suites showed the largest decline in vacancies, down 3.6 percentage points. Since bachelor

units represent a low proportion of the universe, small movements to the number of vacant suites within this bedroom types cause sizeable changes to its vacancy rate. This was followed by one and three-bedroom apartments, down 0.9 and 0.5 percentage points, respectively. The vacancy rate in two-bedroom units increased by 0.1 percentage point between the two April surveys.

The apartment availability rate increased to 1.5 per cent this spring from 1.3 per cent in April 2010. An apartment is considered available if the unit is vacant, or the existing tenant has given or received official notice to move and a new tenant has not signed a lease. The availability rate was highest in bachelor units at 2.1 per cent and lowest in three-bedroom apartments at 1.2 per cent. As the definition of availability includes vacancy, the availability rate will always be equal to or greater than the vacancy rate.

### Apartment rents increase

Apartment rents increased in Yellowknife this spring due to the low vacancy rate. In structures common to

both spring surveys<sup>2</sup>, two-bedroom apartment rents increased by 8.2 per cent from April 2010 to April 2011. One-bedroom units reported the smallest year-over-year gain in average same-sample rents, rising 7.4 per cent this April. The strongest increase in average same-sample monthly rents occurred among bachelor units, at 12.4 per cent.

The average monthly rent for all apartments increased from \$1,394 last April to \$1,484 this spring. Bachelor units rented for an average of \$1,023 per month this April, up from \$981 in April 2010. For one-bedroom apartments, the average monthly rent increased to \$1,365 this year, up from last April's average of \$1,271. Two-bedroom apartments rented for \$1,570 per month in April 2011, compared with \$1,485 last spring. The average monthly rent for three-bedroom plus apartments rose to \$1,723 this April from last spring's average of \$1,595.

<sup>1</sup> Based on privately-initiated rental apartment structures of three or more units.

<sup>2</sup> 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 Yellowknife

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		
Yellowknife CA	5.7	a	2.1	c	1.6	c	0.7	a	0.7	a	0.8	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

### 1.1.2 Private Apartment Average Rents (\$) by Bedroom Type Yellowknife

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		
Yellowknife CA	981	a	1,023	a	1,271	a	1,365	a	1,485	a	1,570	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 2011 by Bedroom Type Yellowknife

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total
Yellowknife CA	1 c	55	5 a	702	7 a	810	1 b	197	14 a	1,764

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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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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### 1.1.4 Private Apartment Availability Rates (%) by Bedroom Type Yellowknife

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										
Yellowknife CA	5.7	a	2.1	c	1.8	b	1.3	a	0.7	a	1.6	c	1.1	a	1.2	a	1.3	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)

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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 Rent<sup>1</sup> by Bedroom Type Yellowknife

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								
Yellowknife CA	3.0	a	12.4	c	2.9	c	7.4	a	2.5	c	8.2	b	++	**	2.6	b	7.5	a

<sup>1</sup>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.

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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