

# RENTAL MARKET REPORT

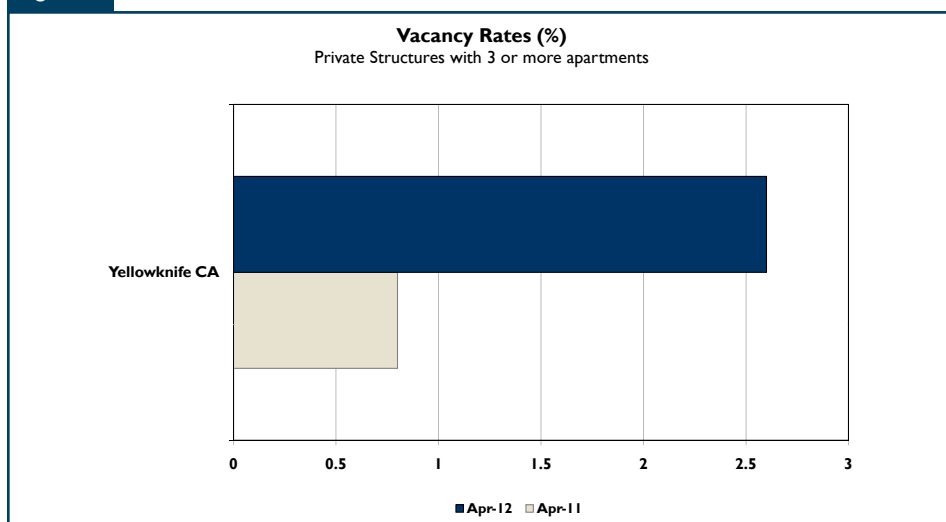
## Yellowknife Highlights\*



CANADA MORTGAGE AND HOUSING CORPORATION

Date Released: Spring 2012

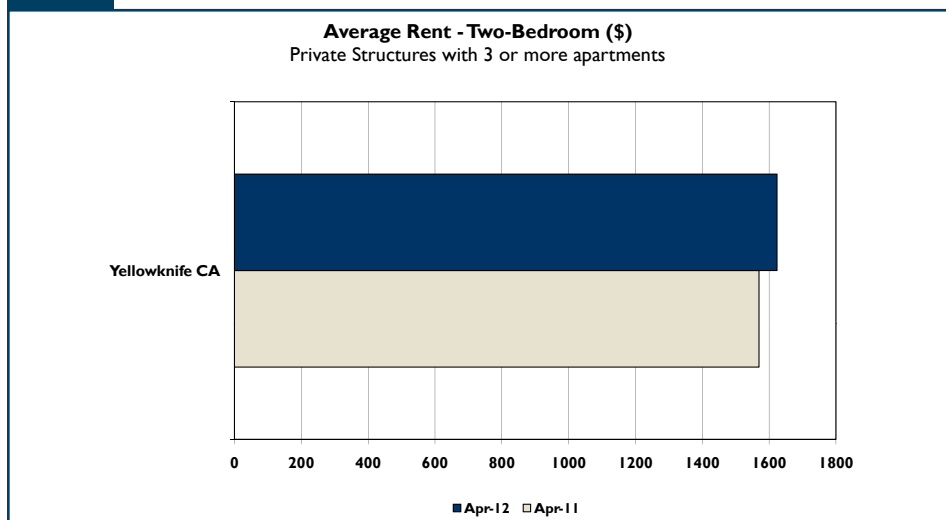
Figure 1



### Highlights

- The apartment vacancy rate in Yellowknife rose to 2.6 per cent in April 2012 from 0.8 per cent in April 2011.
- The apartment availability rate in Yellowknife increased from 1.5 per cent in April 2011 to 2.7 per cent in this April's survey.
- The average monthly rent for a two-bedroom apartment in Yellowknife was \$1,624 in April 2012.

Figure 2



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

## Apartment vacancies move up in Yellowknife

In April 2012, Canada Mortgage and Housing Corporation (CMHC) surveyed 1,755 private rental apartments in Yellowknife and found a vacancy rate<sup>1</sup> of 2.6 per cent, up from 0.8 per cent one year earlier. A net outflow of migrants along with a movement into homeownership contributed to the higher apartment vacancy rate. During this year's first quarter, 115 existing homes changed hands, up from 53 units one year earlier. This coincided with some renters leaving their rental units. Meanwhile, the number of people who left the Northwest Territories via net migration in the last half of 2011 was higher on a year-over-year basis, further contributing to the increase in vacancies.

Yellowknife's April 2012 vacancy rate was lowest in three-bedroom+ suites at 1.2 per cent, followed by two-bedroom units at 1.9 per cent. The vacancy rate for bachelor suites in

Yellowknife remained relatively stable at 2.7 per cent in April 2012. The highest vacancy rate in April 2012 was in one-bedroom units, at 3.8 per cent.

Vacancy rates for one-, two-, and three-bedroom+ units increased between the April 2011 and 2012 surveys with the largest increases recorded within one- and two-bedroom units. Given that these units combined represented 88 per cent of the rental stock surveyed, increases in vacancies within these bedroom types largely impacted the overall vacancy rate. One-bedroom units experienced the largest increase in vacancies, rising 3.1 percentage points to 3.8 per cent in April 2012. The vacancy rate for two-bedroom units increased 1.1 percentage points to 1.9 per cent over the same period. Vacancy rates for units with three or more bedrooms rose 0.6 percentage points between the two April surveys.

The apartment availability rate<sup>2</sup> in Yellowknife increased from 1.5 per cent in April 2011 to 2.7 per cent in this April's survey. One-bedroom units had the highest availability rate at 4.0

per cent, up from 1.3 per cent a year earlier. The availability rate in bachelor and three-bedroom+ units remained fairly stable in this April's survey at 2.7 and 1.2 per cent, respectively. Two-bedroom units had an availability rate of 2.0 per cent in April 2012, relatively unchanged from a year prior.

## Apartment rents stable

With demand for rental housing easing in Yellowknife, apartment rental rates were relatively stable on a year-over-year basis. In structures common to both the 2011 and 2012 April surveys<sup>3</sup>, the change to same-sample rents was not significantly different from zero.

The average monthly rent for all apartments in April 2012 was \$1,521. In April 2012, bachelor suites rented for \$1,091 per month. One-bedroom units reported an average rent of \$1,378 in April 2012, while two-bedroom apartments rented for \$1,624 per month. The average monthly rent for three-bedroom+ apartments was \$1,754 in April 2012.

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

<sup>2</sup> 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. As the definition of availability includes vacancy, the availability rate will always be equal to or greater than the vacancy rate. The availability rate can provide some insight into rental market conditions as it reveals the intentions of landlords and tenants on a short-term basis.

<sup>3</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 2011 and 2012 Spring Rental Market Surveys, we can get a better indication of actual rent increases paid by most tenants.

### I.1.1 Private Apartment Vacancy Rates (%) by Bedroom Type Yellowknife

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total											
	Apr-11	Apr-12	Apr-11	Apr-12	Apr-11	Apr-12	Apr-11	Apr-12	Apr-11	Apr-12										
Yellowknife CA	2.1	c	2.7	a	0.7	a	3.8	b	0.8	a	1.9	b	0.6	b	1.2	a	0.8	a	2.6	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 Yellowknife

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total											
	Apr-11	Apr-12	Apr-11	Apr-12	Apr-11	Apr-12	Apr-11	Apr-12	Apr-11	Apr-12										
Yellowknife CA	1,023	a	1,091	a	1,365	a	1,378	a	1,570	a	1,624	a	1,723	a	1,754	a	1,484	a	1,521	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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### I.1.3 Number of Private Apartment Units in the Universe by Bedroom Type Yellowknife

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-11	Apr-12	Apr-11	Apr-12	Apr-11	Apr-12	Apr-11	Apr-12	Apr-11	Apr-12
Yellowknife CA	52	43	695	709	834	834	183	169	1,764	1,755

The following letter codes are used to indicate the reliability of the estimates:

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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-11	Apr-12	Apr-11	Apr-12	Apr-11	Apr-12	Apr-11	Apr-12	Apr-11	Apr-12										
Yellowknife CA	2.1	c	2.7	a	1.3	a	4.0	b	1.6	c	2.0	b	1.2	a	1.2	a	1.5	a	2.7	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 Rent<sup>1</sup> by Bedroom Type Yellowknife

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-10 to Apr-11	Apr-11 to Apr-12	Apr-10 to Apr-11	Apr-11 to Apr-12	Apr-10 to Apr-11	Apr-11 to Apr-12	Apr-10 to Apr-11	Apr-11 to Apr-12	Apr-10 to Apr-11	Apr-11 to Apr-12
Yellowknife CA	12.4 c	-3.9 d	7.4 b	++	8.2 b	++	9.3 b	++	7.5 b	++

<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.

October 2011 data presented in this publication is based on Statistics Canada's 2006 Census area definitions. April 2012 data presented in this publication is based on Statistics Canada's 2011 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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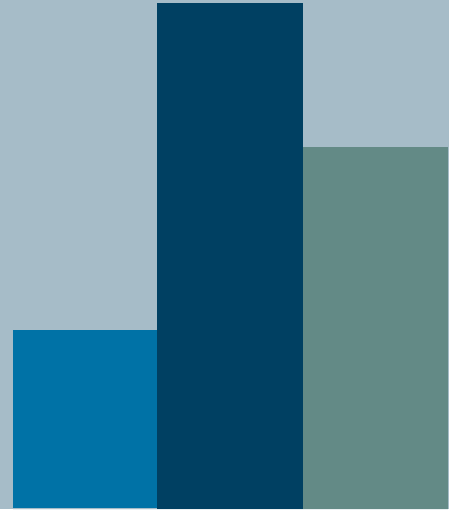
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