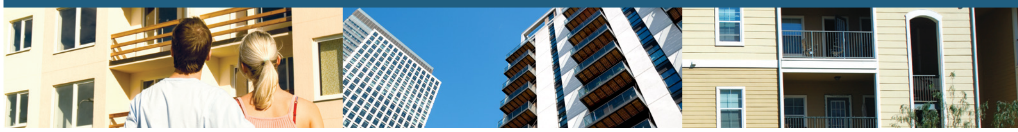
RENTAL MARKET REPORT

Newfoundland and Labrador Highlights*



CANADA MORTGAGE AND HOUSING CORPORATION

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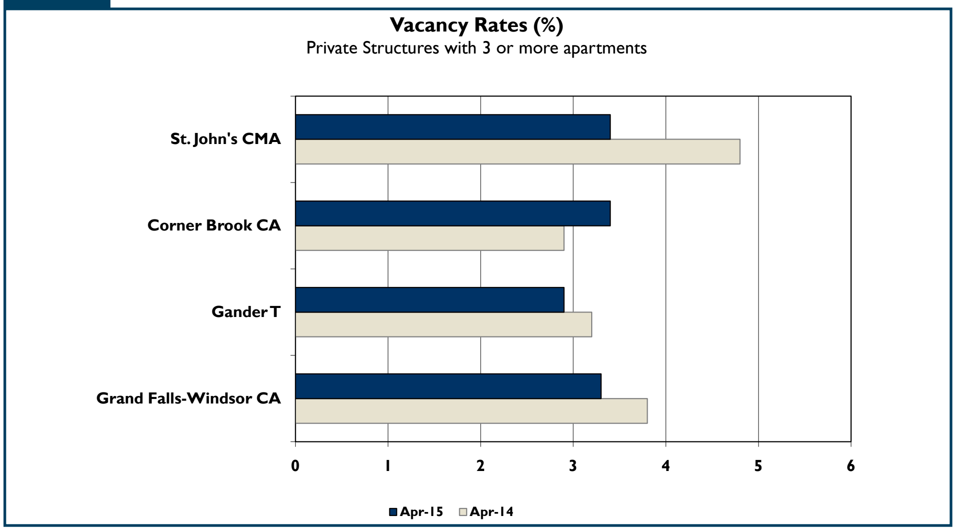
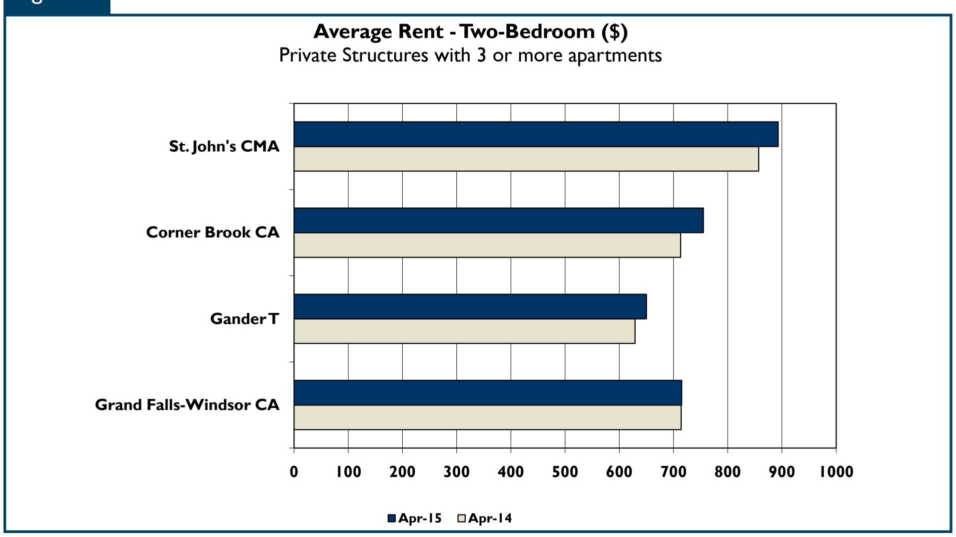
Figure 1



Vacancy Rates (%)
Private Structures with 3 or more apartments

Source: CMHC Rental Market Survey

Figure 2



Average Rent - Two-Bedroom ($)
Private Structures with 3 or more apartments

Source: CMHC Rental Market Survey

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

Provincial Vacancy Rate Down

- The provincial vacancy rate was 3.5 per cent in April, down from 4.3 per cent last year.
- St. John's area vacancy rate was 3.4 per cent compared to 4.8 per cent a year ago.
- The average two-bedroom rent was $817 in April.
- Average two-bedroom rents increased 3.6 per cent based on units common to the 2014 and 2015 April surveys.

Provincial Vacancy Rate Overview

According to the results of Canada Mortgage and Housing Corporation's Spring Rental Market Survey[1], vacancy rate[2] changes were mixed in the province's urban centres[3]. The provincial vacancy rate decreased to 3.5 per cent in April from 4.3 per cent in April 2014. The vacancy rate was highest in St. John's and Corner Brook, while Gander had the lowest vacancy rate. Average rents were highest in the St. John's area and the lowest in Gander.

The St. John's area rental market posted a vacancy rate of 3.4 per cent in April 2015 compared to 4.8 per cent last year. The 1.4 percentage point decrease was recorded despite the fact that a total of 121 rental apartments were added to the rental market universe, which represents about three per cent of the total units. Of the 121 units, there were 51 two-bedroom units, 66 one-bedroom units, and 14 three-bedroom units added. Despite slower economic growth in the St. John's area, demand for rental units remained steady resulting in the small decline in the number of vacant units.

In Gander, the vacancy rate declined slightly to 2.9 per cent compared to 3.2 percent in April 2014. The vacancy rate was low in historical terms and rental demand continued to be supported by Gander's stable economy. With the exception of a single one-bedroom unit, there were no other rental units added to the Gander rental market universe. Between survey periods, the Gander area economy continued to benefit and be supported by economic activity generated as a result of its location as a major regional service hub for central Newfoundland.

Grand Falls-Windsor posted a vacancy rate of 3.3 per cent in April, which was relatively unchanged compared to last year. The Grand Falls-Windsor economy has been very healthy during the last several years and has supported demand for rental apartment units. There were no units added to the rental universe since the April 2014 survey. Healthy economic activity throughout the Grand Falls-Windsor area has been supported by its large regional hospital, community colleges, residential and commercial development activity, and its location as a major regional service hub for all of the surrounding communities.

Corner Brook posted a vacancy rate of 3.4 per cent in April 2015 which was relatively unchanged compared to last year. The area's robust health, education and tourism sectors and diversified economy, continued to support a healthy rental market. This is despite the ongoing concerns regarding the sustainability of the area's large pulp and paper industry. With the exception of six two-bedroom units, there were no other rental units added to the Corner Brook rental market universe since the previous survey. Similar to other urban centres, the Corner Brook area economy continued to benefit and be supported by economic activity generated as a result of its location as a major regional service hub for western Newfoundland.

Higher Average Rents

The average two-bedroom rent climbed to $817 per month across the urban centres surveyed compared to $785 in April 2014. The St. John's area posted the highest average two-bedroom rent at $893, while Gander recorded the lowest average two-bedroom rent at $650. The remaining average two-bedroom rents were $755 in Corner Brook, and $715 in Grand Falls-Windsor.

Based on structures common to both the 2014 and 2015 surveys[4], the average two-bedroom rent increased in all centres. In St. John's, the average two-bedroom rent increased 4.3 per cent. In Corner Brook, the increase was 3.5 per cent. In Gander, the average two-bedroom rent increased 3.2 per cent. Despite increased economic uncertainty throughout the province, the average rent increases were driven by healthy economic activity within these surveyed urban regions as well as the ever-increasing costs of rental apartment building management and maintenance.

Mixed Availability Rates

The total provincial apartment availability rate[5] was 3.8 per cent across the urban centres surveyed compared to 4.8 per cent in April 2014. The apartment availability rate ranged from 3.7 per cent in St. John's compared to 5.4 per cent last year,

1 Due to seasonal factors, the results of the October 2014 Rental Market Survey are not directly comparable with the results from the April 2015 Rental Market Survey.

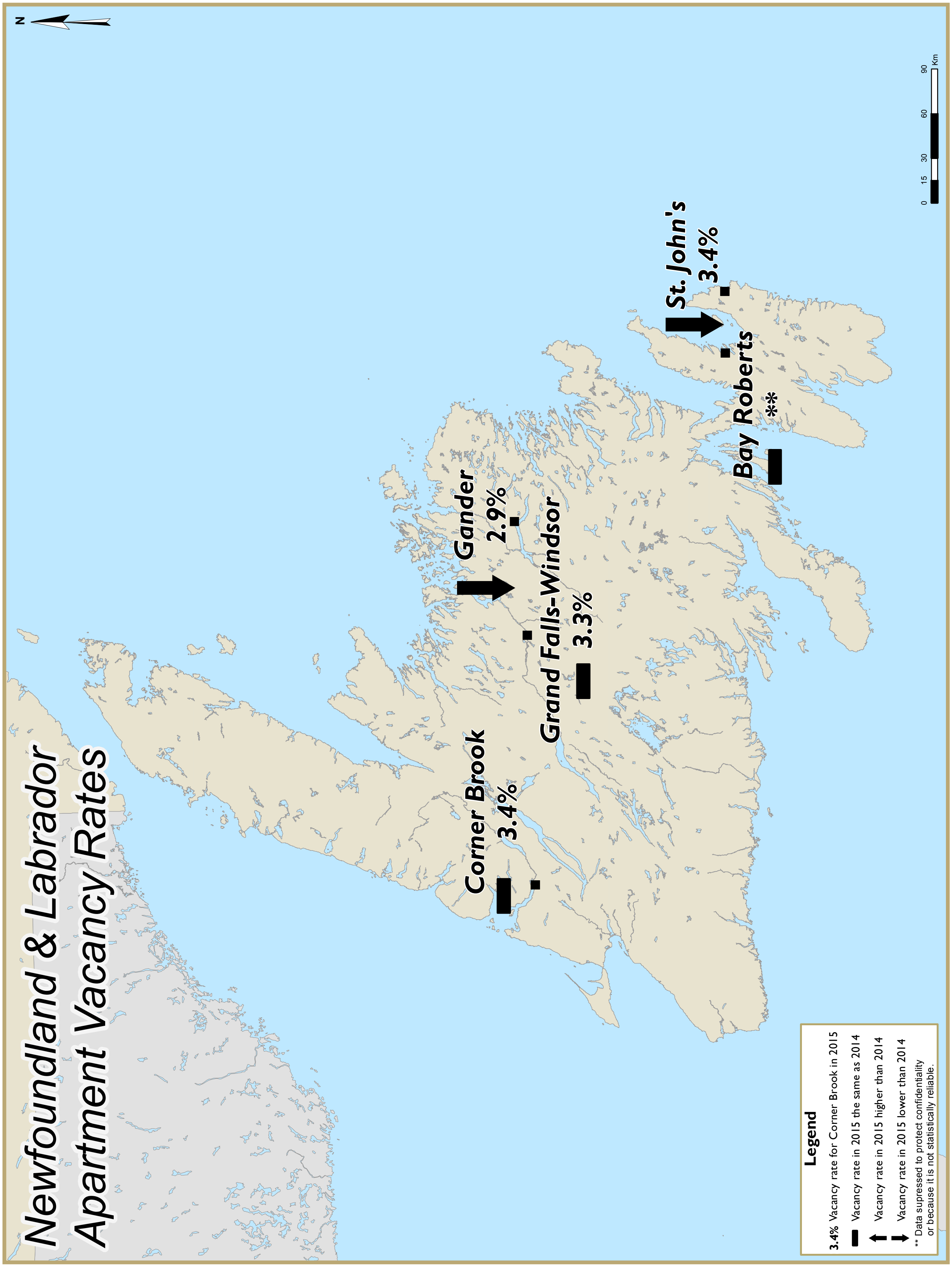
2 The survey is based on privately-initiated rental apartment structures of three or more units.

3 Urban centres defined as centres with a population of 10,000 or more.

4 Year-over-year comparisons of average rents can be slightly misleading because rents in newly built structures tend to be higher than in existing buildings. Excluding new structures and focusing on structures existing in both the April 2014 and April 2015 surveys provides a better indication of actual rent increases paid by tenants.

5 A rental unit 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. As the definition of availability includes vacancy, the availability rate will always be equal to or greater than the vacancy rate.

to a low of 2.9 per cent in Gander compared to 3.4 per cent a year ago. The availability rates in the Grand Falls-Windsor area and Corner Brook were relatively unchanged compared to last year at 3.3 and 3.6 per cent, respectively.


Newfoundland & Labrador
Apartment Vacancy Rates
N
Corner Brook
3.4%
Grand Falls-Windsor
3.3%
Gander
2.9%
Bay Roberts
**
St. John's
3.4%
0 15 30 60 90
Km
Legend
3.4% Vacancy rate for Corner Brook in 2015
Vacancy rate in 2015 the same as 2014
Vacancy rate in 2015 higher than 2014
Vacancy rate in 2015 lower than 2014
** Data supressed to protect confidentiality
or because it is not statistically reliable.

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

Centre	Bachelor			1 Bedroom			2 Bedroom			3 Bedroom +			Total		
	Apr-14	Apr-15		Apr-14	Apr-15		Apr-14	Apr-15		Apr-14	Apr-15		Apr-14	Apr-15	
St. John's CMA	**	5.7 c		3.8 c	2.2 b	↓	5.1 c	3.9 b	-	**	2.6 c		4.8 b	3.4 b	↓
Bay Roberts CA	-	-		**	**		**	**		**	**		**	**	
Corner Brook CA	**	**		1.9 c	4.3 d	↑	3.4 b	3.4 c	-	2.4 b	3.0 d	-	2.9 a	3.4 c	-
Gander T	**	**		5.0 a	1.7 a	↓	2.8 a	2.3 a	↓	2.7 a	13.5 a	↑	3.2 a	2.9 a	↓
Grand Falls-Windsor CA	**	**		5.1 d	5.1 d	-	3.0 b	2.5 b	-	**	**		3.8 c	3.3 c	-
Newfoundland & Labrador 10,000+	******	**5.6** c		**3.8** b	**2.5** a	↓	**4.3** b	**3.8** b	-	**5.7** d	**3.8** c	-	**4.3** b	**3.5** 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

↑ indicates the year-over-year change is a statistically significant increase
↓ indicates the change is a statistically significant decrease
- indicates that the change is not statistically significant

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-14	Apr-15	Apr-14	Apr-15	Apr-14	Apr-15	Apr-14	Apr-15	Apr-14	Apr-15
St. John's CMA	609 b	685 a	733 a	782 a	857 a	893 a	879 b	898 a	799 a	841 a
Bay Roberts CA	-	-	**	**	649 a	**	**	**	656 a	**
Corner Brook CA	470 a	484 a	560 a	563 a	713 a	755 b	791 a	800 a	675 a	704 b
Gander T	**	**	558 a	575 a	629 a	650 a	677 b	713 a	616 a	638 a
Grand Falls-Windsor CA	**	**	578 a	598 a	714 a	715 a	**	**	689 a	694 a
Newfoundland & Labrador 10,000+	**590** b	**668** a	**695** a	**731** a	**785** a	**817** a	**836** a	**864** a	**751** a	**788** a

<u>The following letter codes are used to indicate the reliability of the estimates (cv = coefficient of variation)</u>:
a - Excellent (0 ≤ *cv* ≤ 2.5), b- Very good (2.5 < *cv* ≤ 5), c - Good (5 < *cv* ≤ 7.5), d - Fair (Use with Caution) (7.5 < *cv* ≤ 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 in the Universe by Bedroom Type Newfoundland and Labrador

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-14	Apr-15	Apr-14	Apr-15	Apr-14	Apr-15	Apr-14	Apr-15	Apr-14	Apr-15
St. John's CMA	362	352	1,117	1,183	1,760	1,811	282	296	3,521	3,642
Bay Roberts CA	0	0	5	5	28	31	2	2	35	38
Corner Brook CA	25	25	116	122	360	360	42	41	543	548
Gander T	1	1	120	121	428	428	37	37	586	587
Grand Falls-Windsor CA	6	6	87	87	404	403	12	12	509	508
Newfoundland & Labrador 10,000+	**394**	**384**	**1,445**	**1,518**	**2,980**	**3,033**	**375**	**388**	**5,194**	**5,323**

** 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 Newfoundland and Labrador

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-14	Apr-15	Apr-14	Apr-15	Apr-14	Apr-15	Apr-14	Apr-15	Apr-14	Apr-15
St. John's CMA	**	6.6 c	3.9 c	2.4 b ↓	6.1 b	4.1 b ↓	**	3.2 d	5.4 b	3.7 b ↓
Bay Roberts CA	-	-	**	**	**	**	**	**	**	**
Corner Brook CA	**	**	2.9 c	5.4 d ↑	3.4 b	3.4 c -	2.4 b	3.0 d -	3.1 b	3.6 c -
Gander T	**	**	5.0 a	1.7 a ↓	3.0 a	2.3 a ↓	2.7 a	13.5 a ↑	3.4 a	2.9 a ↓
Grand Falls-Windsor CA	**	**	5.1 d	5.1 d -	3.0 b	2.5 b -	**	**	3.8 c	3.3 c -
Newfoundland & Labrador 10,000+	**	**6.4** c	**4.0** b	**2.7** a ↓	**4.9** b	**3.9** b ↓	**	**4.3** c	**4.8** b	**3.8** 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

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

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-13 to Apr-14	Apr-14 to Apr-15	Apr-13 to Apr-14	Apr-14 to Apr-15	Apr-13 to Apr-14	Apr-14 to Apr-15	Apr-13 to Apr-14	Apr-14 to Apr-15	Apr-13 to Apr-14	Apr-14 to Apr-15
St. John's CMA	**	**	2.4 c	5.3 d	2.5 c	4.3 d	++	++	2.5 b	5.1 d
Bay Roberts CA	-	-	**	**	**	**	**	**	++	**
Corner Brook CA	++	3.3 d	++	1.8 c	1.9 c	3.5 c	**	2.1 c	1.7 b	3.1 c
Gander T	**	**	5.0 a	2.7 a	3.2 b	3.2 a	**	5.7 d	2.7 a	3.3 a
Grand Falls-Windsor CA	**	**	4.3 c	3.1 b	3.2 c	++	**	**	3.4 c	0.9 a
Newfoundland & Labrador 10,000+	**2.0** c	**5.0** d	**2.9** b	**4.3** d	**2.6** b	**3.6** c	**++**	**3.1** d	**2.5** a	**4.2** c

[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.

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.

Use caution when comparing changes in statistics from one year to the next. Even if there is a year over year change, it is not necessarily a statistically significant change. These tables include indicators to help interpret changes. ↑ indicates the year-over-year change is a statistically significant increase, ↓ indicates the year-over-year change is a statistically significant decrease, while – indicates that the effective sample does not allow one to interpret any year-over-year change as being 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.

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.

CMHC—HOME TO CANADIANS

Canada Mortgage and Housing Corporation (CMHC) has been Canada's national housing agency for more than 65 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 housing solutions that will continue to create vibrant and healthy communities and cities across the country.

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