

NORTHERN HOUSING REPORT



CANADA MORTGAGE AND HOUSING CORPORATION

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As a component of its product suite, CMHC Market Analysis produces an annual Northern Housing Report. This report focuses on the new home construction market, existing home market, and rental markets in Whitehorse, Yellowknife, and Iqaluit.

Whitehorse

Economy

After experiencing robust growth from 2004 through 2012, Yukon real Gross Domestic Product (GDP) decreased by 0.7 per cent in 2013, and continued to decline in 2014, contracting by 1.2 per cent. As depressed mineral and commodity prices slow down resource extraction industries across Canada, the heavily resource-based Yukon economy is also feeling the pinch. With two consecutive years of negative real GDP growth, the Yukon economy remains in recession and the short-term outlook remains weak. The Conference Board of Canada is projecting Yukon's 2015 real GDP to contract by almost three per cent in 2015.

As mineral prices remain at levels near the recent lows in 2014, a number of major mining producers have stopped production until prices improve.

Industry consultations have revealed that Yukon Zinc, operator of the Wolverine mine, have shut down as a result of low mineral prices. Similarly, the Bellekeno mine, owned and operated by Alexco Resource Corp., has been in temporary shutdown since September 2014. Victoria Gold, another major producer in the region, has also revealed they will not be conducting any exploration this year.

Fortunately, the news is not all bad for Yukoners as the large transfer payments received from the Canadian Government will help support the largest budget on record in Yukon's history for 2015-2016, at \$1.4 billion dollars. With a Capital Budget of \$312.8 million dollars, the Yukon government plans to invest heavily in major public infrastructure projects, in an effort to boost employment in the region. Some of the more costly projects include \$60.7 million for upgrading highways, resource roads, bridges, and airports, \$13.5 million for maintenance and upgrading of

Highlights

Whitehorse

- Residential construction in 2015 will decrease from the previous year, with 95 single-detached starts and 90 multi-family starts expected.
- Existing home sales to decline in 2015.
- Average vacancy rate is forecast to increase to 3.7 per cent.

Yellowknife

- Total housing starts will increase to 105 units this year.
- Residential transactions will decline to 425 units in 2015.
- Rental apartment vacancies will decline as weaker economic conditions delay movement into homeownership

Iqaluit

- At 6.2 per cent, Nunavut recorded the second strongest rate of economic growth in 2014 across all provinces and territories.
- Excluding social housing units, the vacancy rate rose to three per cent in 2014 from 2.1 per cent in 2013.
- The average two-bedroom rent for non-social housing units rose to \$2,478 in 2014.

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government buildings, and \$11.0 million in spending on technology infrastructure.

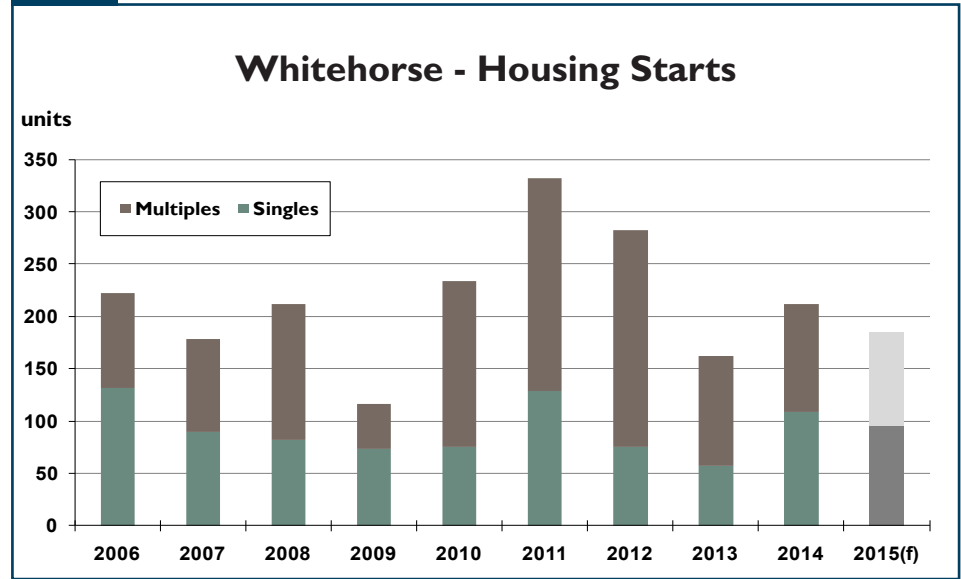
At April 2015, Yukon's labour force grew modestly by 200 people from April 2014, reaching a level of 20,800, while the number of employed decreased by 200, to a level of 19,600. Over the same period, the unemployment rate increased sharply, from 3.9 per cent in April 2014 to 6.3 per cent at April 2015. This figure still stands below the national average with the unemployment rate for Canada as a whole standing at 6.8% at April 2015. Relative to April 2014, approximately 300 jobs were lost across the goods and services-producing sectors at April 2015, representing decreases of 7.4 and 0.6 per cent, respectively.

Despite the weak economic outlook for the Yukon region, net migration rebounded in 2014. During the recession in 2013, 296 people left the province, which marked the first year of negative net migration dating back to 2006. In 2014 however, net migration was positive and showed a sizeable gain of 205 people moving to the province. With the increase in net migration, the estimated population of Yukon posted a record high of 37,183 at December 2014, an increase of 1.9 per cent relative to one year prior. With 77 per cent of the Yukon population residing in Whitehorse, the city's population also saw growth in 2014. At December 2014, the Whitehorse population increased by 2.3 per cent from the previous year, to a level of 28,455.

New Home Market

Housing starts in Whitehorse totalled 212 in 2014, a strong increase of 31 per cent from the 162 posted in 2013. Single-detached starts totalled 109 in 2014, up from 57 in 2013. Multi-family

Figure 1



Source: CMHC, CMHC Forecast (f)

starts, which include semi-detached, row, and apartment units, remained relatively unchanged in 2014 from the previous year, declining by two per cent to 103 units.

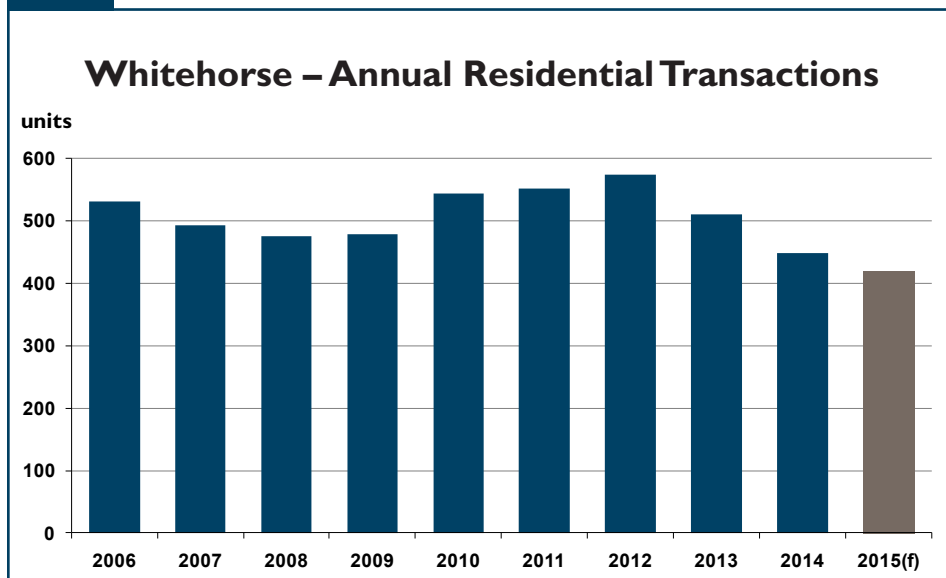
With the implementation of the City of Whitehorse's Official Community Plan (OCP), new development has been supported by the release of land from the City. The Whistle Bend neighbourhood remains the largest new neighbourhood in Whitehorse and will host 3,900 housing units and accommodate approximately 8,000 residents once complete. Phases 1 and 2 are nearing completion, and Phases 3 to 7 are currently in the design phase, and are planned to house approximately 4,900 residents with a variety of housing types. Detailed design of Phase 3 will be presented to the public in June, with construction expected to begin in 2016.

In the first quarter of 2015, eight single-detached units were started within the City of Whitehorse compared to 22 units in the first quarter of 2014. The robust start

in 2014 was due to the release of several lots, and marked the largest number of single-detached starts in any first quarter since 2006. With fewer available lots in 2015 and continued weakness in the economy, single-detached starts will moderate this year. CMHC forecasts 95 single-detached starts in 2015, down from 109 in 2014.

As compared to the robust years of 2011 and 2012, which saw multi-family starts of just over 200 units in each year, multi-family starts have remained subdued since 2013. In 2014, there were 103 multi-family units started, which amounts to two fewer units than 2013. As the price differential between single-detached and multi-family dwellings has been decreasing in recent years, multi-family dwellings have faced stronger competition from single-detached units, thereby tempering demand for this type of housing. With increased competition from single-detached homes, in addition to buyers' market conditions, multi-family starts are expected to moderate to 90 units in 2015.

Figure 2



Source: Yukon Bureau of Statistics, CMHC Forecast (f)

Real Estate Transactions

According to the Yukon Bureau of Statistics' quarterly Real Estate Survey, residential real estate transactions in Whitehorse, excluding those 'not-at-arm's-length', declined for a second consecutive year, down 12 per cent in 2014 to 449 units. While much of this decline can be attributed to a slump in condo sales, which fell 24 per cent since 2013, lower sales of mobile and single-detached homes, also contributed to the overall decline. Transactions for semi-detached homes were the only bright spot in 2014, with sales increasing by 15 per cent from 2013.

The outlook for resale market transactions is expected to continue to moderate in 2015. MLS® sales in the first quarter declined 22 per cent to 49 transactions in 2015, down from

63 in 2014. As depressed commodity prices continue to dampen the appetite for investments in resource extraction industries in the region, overall job growth is expected to stagnate due to weaker job creation in the resource sector. With lower full-time job growth weakening demand, CMHC forecasts that resale transactions will continue to decline modestly by 6.5 per cent in 2015, to 420 units.

In the first quarter of 2015, the average price for all types of housing fell by 13 per cent from the first quarter of 2014, to \$322,034. Average condominium sale prices declined nearly 13 per cent to \$277,306 in the first quarter of 2015, as compared to one year prior. To the end of March, single-detached home prices averaged \$384,497, down 9.8 per cent from the same period in 2014. Year-over-year price declines in the first quarter

of 2015 were more modest among mobile and semi-detached homes, decreasing 5.6 and 4.3 per cent respectively.

With the recent slowdown in sales and marked price declines in condominiums and single-detached homes weighing down resale prices, conditions are expected to continue favouring buyers in 2015. After the first three months of 2015, sales of single-family homes have accounted for more than half of the total sales, while multi-family sales have made up almost one quarter. The combined sales of mobile and semi-detached homes comprise the remaining quarter. Industry consultations suggest such a distribution of sales might arise from a preference of many Yukon home buyers toward single-detached homes as opposed to their multi-family counterparts. Regardless of purchaser preferences, demand for both housing types remains subdued which has put downward pressure on home prices in the region.

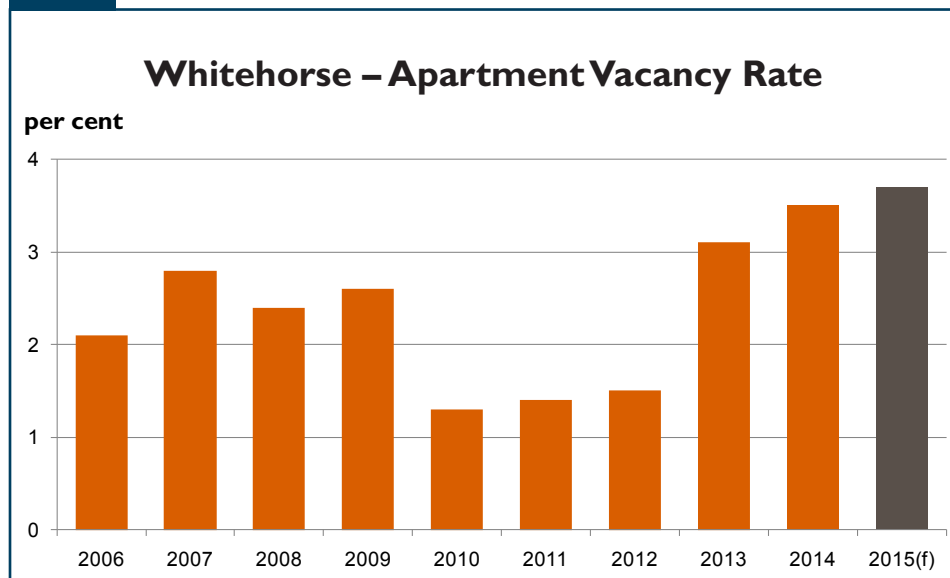
To the end of March, the average MLS® price declined 10 per cent from the year prior. Part of this decline can be attributed to the large decline in multi-family home prices, which led the charge downward, falling by 22 per cent. As the economic outlook and demand remain weak, it is expected that the average resale price of homes in Whitehorse will decline by 4.8 per cent, to an average of \$345,000 in 2015.

Rental Market

In the fourth quarter of 2014, the average apartment vacancy rate in Whitehorse increased to 3.5 per cent, up from 3.1 per cent in the previous year. This amounts to 35 vacant units out of a total rental universe of 990 units. As the supply of multi-family dwellings has been increasing over recent years, it is expected that some of these units will make their way onto the secondary market, providing additional rental options for Yukoners. Furthermore, as average home prices in Whitehorse decline, and as mortgage rates remain low over the near term, renters may view home-ownership as an increasingly attractive alternative to renting. CMHC is forecasting the vacancy rate to increase to 3.7 per cent by December 2015.

Despite the increasing vacancy rate over the past few years, the average rental price for a two-bedroom unit in Whitehorse has also increased, rising to \$991 in the fourth quarter of 2014,

Figure 3



Source: Yukon Bureau of Statistics Q4 Yukon Rent Survey; CMHC Forecast (f)

from \$955 a year earlier. CMHC expects the average two-bedroom rental rate to continue increasing, though at a more moderate pace as the rise in vacancy rates soften upward pressure on rents. As a result, the average two-bedroom rental rate will increase to \$1,000 in 2015.

Whitehorse Forecast Summary June 2015

	2012	2013	2014	Yr/Yr Change	2015(F)	Yr/Yr Change
New Home Market						
Total Starts (units)	282	162	212	30.9%	185	-12.7%
Single-Detached Starts	75	57	109	91.2%	95	-12.8%
Multi-Family Starts	207	105	103	-1.9%	90	-12.6%
Real Estate Transactions*						
Residential sales	574	510	449	-12.0%	420	-6.5%
Average price (\$)	358,978	357,084	362,246	1.4%	345,000	-4.8%
Rental Market(Q4 data)**						
Apartment Vacancy Rate (%)***	1.5%	3.1%	3.5%		3.7%	
Average Two-Bedroom Apartment Rent (\$)***	906	955	991		1,000	

*MLS® + Private (source: YBS, CMHC Forecast)

** Source: YBS, CMHC Forecast

*** YBS has made changes to their survey. As of 2014, the vacancy rate and rent prices are for October, not Q4.

Yellowknife

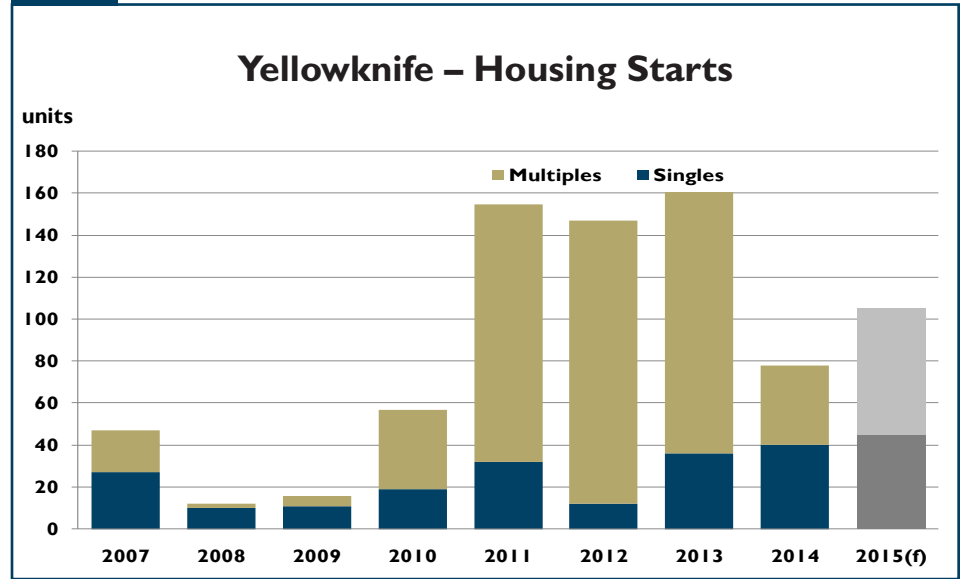
Economy

In terms of real Gross Domestic Product (GDP), the economy of the Northwest Territories (NWT) grew 6.8 per cent in 2014, following 3.9 per cent growth in 2013. Diamond mining production rose by 21 per cent while oil and gas extraction declined slightly in 2014. Construction also increased by 22 per cent, supported by continued work on the new Gahcho Kué diamond mine as well as new highway construction. Economic growth is not expected to remain positive in 2015 as a lower commodity price environment will pose downside risks for oil and gas exploration as well as mining projects. The Conference Board of Canada (CBoC) is forecasting negative GDP growth of 3 per cent in 2015¹.

The devolution of lands and resource development from the Government of Canada to the Government of the Northwest Territories (GNWT) began on April 1, 2014. As a result, non-renewable resource royalties generated an estimated \$78.9 million in revenue for the 2014-2015 fiscal year, according to the GNWT revised budget estimates. The shift in responsibilities from the federal to territorial government corresponded with a 1.7 per cent increase in public administration as measured in terms of real GDP. Although the public service shed jobs in 2014, with increased responsibilities in the hands of the GNWT, devolution is expected to be a source of local employment growth moving forward.

According to the most recent data on capital investments for 2014, Statistics Canada's capital and repair expenditures survey, total capital

Figure 1



Source: CMHC, CMHC Forecast (f)

expenditures were expected to decline from 2013 to 2014 by 5.9 per cent based on spending intentions. At \$1.4 billion, capital spending intentions in the NWT in 2014 remain below levels seen prior to the 2009 global financial crisis. Of this, private investment accounted for the majority of capital expenditures at \$1.16 billion.

Employment in the NWT averaged 22,100 persons in 2014, marking a decline of 1,100 jobs from the 2013 average of 23,200 jobs. The major contributor of the decrease in employment was the public administration sector, which shed 800 jobs in 2014 from the previous year. Even though the sector grew year-over-year in terms of real GDP, the change in employment numbers are likely due to a decline in federal government responsibilities in the region. Sources of employment growth were in utilities and professional, scientific and technical services with 300 jobs added in each sector. Despite increases in mining activities, there were no significant changes to employment figures in

that industry. The unemployment rate increased slightly from 7.8 per cent in 2013 to 8.1 per cent in 2014 while the labour force declined by an average of 1,100 persons in 2014. Looking forward, with growth in construction and mining, the CBoC is expecting negative employment growth in 2015 with an average unemployment rate of 8 per cent.

The population of the NWT was 43,795 in the fourth quarter of 2014, which is not a significant change from the population of 43,523 in the fourth quarter of 2013. While the CBoC expects this population to grow in 2015, the demographic composition is projected to shift in the direction of an older population. Net migration in 2014 measured a net loss of 832 persons following a longer term trend of outward migration. The last year of positive net migration into the NWT was over a decade ago in 2003.

New Home Market

Development of new housing in Yellowknife, as in other northern

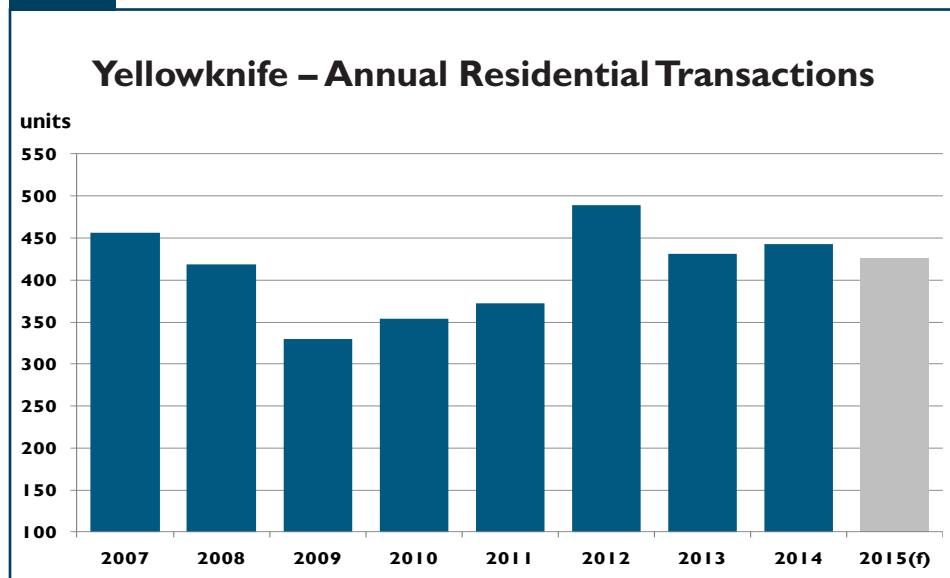
¹ Source: Canadian Territorial Outlook 2015 Webinar: High Stakes, Hot Prospects, The Conference Board of Canada, March 30, 2015

markets, poses unique challenges when compared with its southern counterparts. New developments in Yellowknife face a variety of difficulties such as the availability of land, high costs of construction due to the unique northern climate and landscape, as well as remote proximity to many suppliers of construction materials and skilled labour pools. As a result, there is a certain degree of pent up demand for new housing in Yellowknife, especially for housing on the lower end of the price spectrum. However, downside risks posed by negative economic growth, net migration out of the territory, and a weaker labour market will keep starts below levels seen in 2011 through 2013.

Housing starts in 2014 totalled 78 units, approximately half the level recorded in 2013. The decline in total starts is primarily due to multi-family starts, which tend to enter the market with more volatility than single detached units. In terms of single family construction, starts increased 11 per cent in 2014 over 2013 levels with 40 housing starts. This represents the highest level of starts since 2005. Much of the growth in single family in 2014 was in the form of manufactured housing as the supply of lots and cost of construction for more traditional single family housing pose challenges for development. With a larger number of serviced and available lots for manufactured housing going into 2015 compared to 2014, the majority of single detached starts will be manufactured housing. The total number of starts is expected to grow to 45 single detached units in 2015.

From 2011 through to 2013 multi-family starts exceeded 100 units each year, as new land became available for development. In 2014, construction levels for multi-family

Figure 2



Source: CMHC (MLS® & Private Sales), CMHC Forecast (f).

*Year-over-year comparisons are not applicable due to methodology changes for collecting data effective January 2014.

units remained elevated, averaging 99 units throughout the year, exceeding its preceding five-year average of 83 units under construction. In terms of starts, however, no new parcels for multi-family were released to the market to allow for construction in 2014 and several expected projects have been either put on hold or cancelled due to the uncertain nature of costs associated with northern development. The result was a decline of 70 per cent year-over-year to 38 multi-family starts in 2014.

The largest component of multi-family construction in 2014, and its preceding three years, was condo developments marketed as a lower cost option to traditional single-detached housing. Moving forward, from consultation with industry participants, a few projects are expected to increase multi-family starts to 60 units in 2015.

Residential Home Market

A major influence in the resale market has been a shift in the selection of supply by way of both

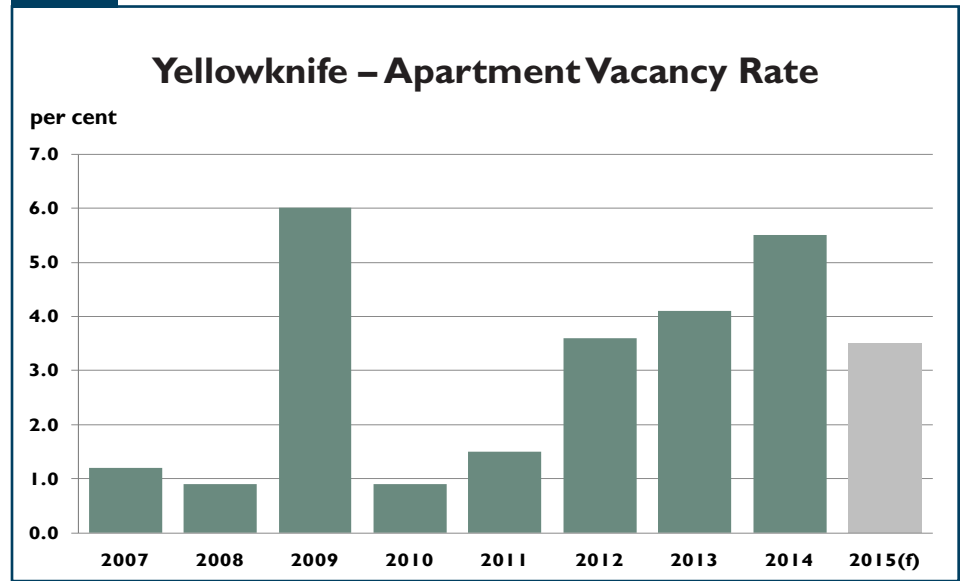
new manufactured homes and condos listed on the market. Since some of the new homes, particularly in the manufactured home category, are marketed at prices competitive with existing homes, the increase in selection to buyers has resulted in downward movement in the average price in resale market. Furthermore, new units typically offer cost savings on utility payments through increased energy efficiency standards which increases competition with existing homes.

In 2014, sales of residential properties totalled 443 units. Sales in the first quarter of 2015 totalled 59 units compared with 49 units in the first quarter of 2014, representing a 21 per cent increase. However, growth in resale transactions is not expected to continue due to increased competition from the new home market, particularly for those units priced at the lower end of the price spectrum. In addition, weaker labour market conditions and outward migration will dampen overall demand for housing. In the market

for move-up buyers, expected new developments coming in 2016 will represent additional selection, which may result in some buyers delaying their decision to purchase in 2015. As a result, sales are expected to decline four per cent year-over-year to 425 units for 2015.

The trend in average home price according to MLS® data (which does not include private sales) was down 14 per cent in the first quarter of 2015 compared with the previous year's first quarter. Including private sales, in the first quarter of 2015, the average price of a home declined 11 per cent year-over-year to \$354,235. The decline in average prices has been mainly due to compositional factors, with an increased share of condos and manufactured homes on the market which typically sell at lower price points. As a result, the average resale price is forecast to be \$395,000 in 2015, representing a 5 per cent decrease year-over-year

Figure 3



Source: CMHC, CMHC Forecast (f), October surveys

Rental Market

With a weaker economic outlook for 2015, rental demand may find support from potential buyers deciding to delay movement into home ownership. Further, large construction projects occurring in 2015 will bring some short-term residents to Yellowknife,

which will also support rental demand. In the 2014 October Rental Market Survey, an overall apartment vacancy rate of 4.8 per cent was recorded. In 2015, the vacancy rate is expected to decline to 3.5 per cent.

As a result of higher vacancy rates in recent years, rents are not expected

Yellowknife Forecast Summary June 2015

	2012	2013	2014	Yr/Yr Change	2015(F)	Yr/Yr Change
New Home Market						
Total Starts (units)	147	163	78	-52.1%	105	34.6%
Single-Detached Starts	12	36	40	11.1%	45	12.5%
Multi-Family Starts	135	127	38	-70.1%	60	57.9%
Resale Market*						
Residential sales	489	431	443	**	425	-4.1%
Res. resale price (\$)	387,900	390,711	415,344	**	395,000	-4.9%
Rental Market (October Survey)***						
Apartment Vacancy Rate (%)	3.6%	4.1%	4.8%		3.5%	
Average Two-Bedroom Apartment Rent (\$)	\$1,641	\$1,664	\$1,686		\$1,686	

*MLS®+Private(source CMHC Forecast)

** Year-over-year comparisons from 2014 to 2015 are not applicable due to methodology changes for collecting data effective January 2015.

*** source: CMHC, CMHC Forecast

to experience much upward pressure. There is also the potential for landlords to either lower rents or keep them stable, which will also help to reduce the vacancy rate. In addition, some new units are expected to reach completion in 2015, which could offset any potential rent reductions for existing rental stock as new units typically garner higher rents. The average two-bedroom apartment rent, therefore, is expected to remain stable at \$1,686 for 2015.

Iqaluit

Economy

In 2014, real Gross Domestic Product (GDP) in Nunavut expanded 6.2 per cent. This represents the second strongest rate of growth across all provinces and territories in Canada and more than doubled the national rate of 2.4 per cent in 2014. According to Statistics Canada, public administration, mining, quarrying, and oil and gas extraction, and construction sectors accounted for the largest share of GDP in Nunavut in 2014. All three sectors increased compared to 2013; however, the share of GDP for public administration and mining, quarrying, and oil and gas extraction declined in 2014 as the construction sector's share of GDP rose from 12 to 17 per cent in 2014. The construction sector increased 45

per cent in 2014 from 2013, benefiting from new mining exploration and development, along with the start of infrastructure projects.

According to the Conference Board of Canada's (CBOC) 2015 Territorial Outlook, construction will continue to be a contributor to economic growth in 2015. This will largely be due to further mining exploration and development, while mining production is expected to remain elevated. The fishing industry will also see growth due to higher fishing quotas and supporting infrastructure development. As a result, the CBOC expects a growth rate of 3.3 per cent for Nunavut's economy in 2015.

Nunavut's population continued to grow in 2014 at an annual rate of 2.5 per cent to 36,687 from 35,782 in 2013. The rate of growth was relatively similar in 2014 to that of the preceding year. Population growth in Nunavut was largely due to natural increases, where births exceed deaths. Migration also contributed to overall population growth. Net migration to Nunavut totalled 47 in 2014, representing a decline from 182 migrants in 2013. A decline in net interprovincial migration more than offset a modest gain in net international migration, which resulted in an overall reduction in net migration.

Lower employment also contributed to slower net migration in 2014. Total employment was 2.9 per cent lower in 2014 compared to the previous year. Declines were recorded for both full-time and part-time employment, though the reduction was more pronounced for part-time positions. Despite the decline in total employment, average weekly earnings increased to \$1,186 in 2014, up 4.9 per cent from 2013's average of \$1,131. Across industries, where data were available, the highest wages continued to be in the public administration sector at an average of \$1,386 per week, up 3.2 per cent year-over-year.

New Home Construction

In 2014, the number of issued building permits declined 15 per cent to 110 permits compared to 129 in 2013. The 110 permits issued in 2014 were comprised of seven single-detached units and 103 multi-family dwellings. The number of single-detached permits was unchanged year-over-year in 2014, while semi-detached and row permits decreased. Despite the overall year-over-year decline, the number of apartment permits issued increased to 87 units in 2014 from 80 in the previous year. With one exception in the last ten years, the proportion of total permits for apartments has been close to or above 60 per cent. In 2014,

Iqaluit Total Residential Sales

	2011	2012	2013	2014
Residential Sales	60	63	60	55
Average Price	\$335,456	\$410,073	\$433,951	\$473,080
Median Price	\$367,000	\$411,421	\$475,500	\$486,330
Avg. Price Sq. foot	\$237	\$255	\$273	\$285

Source: CMHC

79 per cent of total permits were for apartment units.

Residential construction in Iqaluit has been limited in recent years due to constricted availability of land that is suitable for residential development. Construction in 2014 was concentrated in the new Apex subdivision with a few single-detached homes breaking ground, along with some multi-family development. Of all units currently underway, there were two condominium projects nearing completion in Phase IV of the Plateau subdivision to the end of 2014. Looking ahead, future development is anticipated in the downtown area and the Road to Nowhere subdivision. However, construction in the Road to Nowhere subdivision will likely not occur until 2017. The plans for development in this area include low to medium density residential projects, along with institutional, commercial, and recreational buildings.

Residential Transactions

Residential real estate transfers in 2014 were relatively unchanged compared to the previous year. There were 70 residential real estate transfers within the city of Iqaluit in 2014 compared to 71 in 2013. The Iqaluit housing market is unique compared to most markets across Canada. Like many Nunavut communities, most of the land or lots in Iqaluit are owned either by the municipality or by the Inuit. The majority of lots are titled to the Municipal Corporation which issues Leasehold Titles for use. When the title of the lease is transferred, a price, either the cost of development or some consideration, is also determined.

Iqaluit Residential Sales by Type		
2014	Single-detached	Condo/Row/Semi
Residential Sales	31	24
Average Price	\$481,757	\$461,873
Median Price	\$515,000	\$461,763
Ave. Price Sq. foot	\$279	\$294
Source:CMHC		

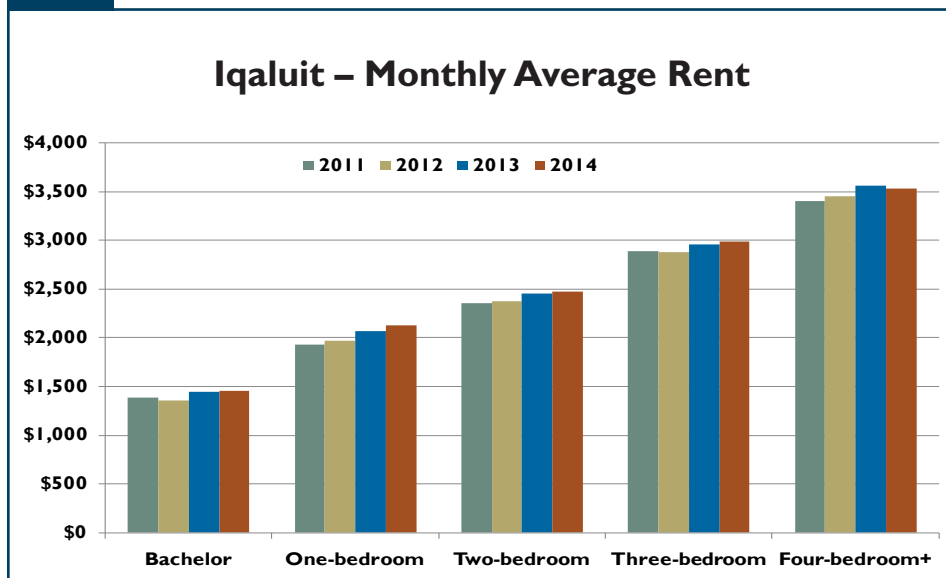
Within the city of Iqaluit there were 70 residential real estate transfers in 2014, of which 15 were recorded as nominal considerations. That is, there were 15 transfers with nominal values stated between \$1 and \$10. Slower net migration and negative employment growth resulted in lower non-nominal sales. Excluding nominal transfers, there were 55 transfers in 2014, which was lower than the 60 sales in 2013. Non-nominal transfers in 2014 ranged in value between \$115,000 and \$685,000. The average price across these 55 sales was \$473,080, up nine per cent from an average in 2013 of \$433,951. The median price also increased in 2014 to \$486,330 from \$475,500 in 2013. Higher prices for newly constructed units contributed to price growth in 2014. However, the pace of price growth was slower compared to previous years due to a shift in composition away from single-detached units towards multi-family which tend to be priced lower.

Single-detached residential transactions, excluding transfers with nominal values, declined in 2014 to 31 sales compared to 36 in the previous year. The average price for a single-detached home increased in 2014 to \$481,766, up from \$432,444 in

2013. Similarly, the median price rose to \$515,000 in 2014 from \$465,000 in 2013. The price per square foot increased marginally to \$279 in 2014 from \$276 in 2013. Of the 31 single-detached residential transactions, 12 units were considered resale, with prices ranging between \$369,000 and \$650,000. This represents an increase from nine resale transactions in 2013 where prices ranged between \$108,000 and \$535,000.

Multi-family transactions, which include condominium and row units, accounted for 24 of the 70 residential real estate transfers recorded in 2014. Of the 24 transfers, four were considered resale units. Condominium transactions accounted for a larger proportion of transactions in 2014 due to new condominium project developments, with all units pre-sold early in the year. In 2013, 6.7 per cent of transactions were for condominium units, while in 2014, that proportion grew to 22 per cent. The average price for a condominium unit was \$403,229 in 2014, up from \$321,169 in 2013. For row units, the number of transactions declined to 12 units in 2014 from 20 in the previous year, and the average price rose from \$459,220 to \$520,517 under the same comparison.

Figure 1



Source: CMHC Survey (does not include public housing units)

Rental Market

According to the results of CMHC's annual rental market survey in Iqaluit, the rental universe increased from 1,991 units in 2013 to 2,045 in 2014. There were some recently completed units added to rental stock in 2014, which contributed to a higher vacancy rate. There were 354 rental units that identified as social (public) housing and were excluded from the average rent and vacancy rate calculations.

It is also important to note that the rent and vacancy rate calculations not only include apartment units, but single-detached, semi-detached, and row units within the city of Iqaluit. Additions to the rental stock and slower net migration contributed to the vacancy rate rising in 2014 to three per cent from 2.1 per cent in 2013. Excluding social housing units, 41 units of a universe of 1,691 units were also excluded from vacancy rate calculations as they were undergoing

renovations at the time of the 2014 rental market survey. Of the remaining 1,650 units, 50 were vacant.

Across all bedroom types, the average rent increased in 2014 to \$2,462 from \$2,417 in the previous year. Average rents among bedroom types were higher year-over-year in the 2014 annual rental market survey with the exception of four-bedroom plus units, which also had the highest vacancy rate. Composition was a contributing factor to the decline in rents in this bedroom type as additions to the four-bedroom universe commanded lower rents than for those removed since the 2013 survey. The strongest gain in rents was for one-bedroom units which increased by \$67 per month from the previous year to average \$2,130 in 2014. Part of the gain was attributed to recently completed additions to one-bedroom rental stock as newer units tend to garner higher rents. For two-bedroom units, which account for the largest proportion of units in the rental universe, the average rent rose by \$22 per month to \$2,478 in 2014 compared to \$2,456 in the previous year.

Average Monthly Rent - by bedroom type (excluding social housing)

	2013	2014	Yr/Yr Change
Bachelors	\$1,443	\$1,457	\$14
One-bedroom	\$2,063	\$2,130	\$67
Two-bedroom	\$2,456	\$2,478	\$22
Three-bedroom	\$2,956	\$2,984	\$28
Four-bedroom+	\$3,557	\$3,531	-\$26
Total Average	\$2,417	\$2,462	\$45

Source: CMHC

Rental Universe - 2014

Units	
Bachelors	59
One-bedroom	595
Two-bedroom	637
Three-bedroom	343
Four-bedroom	57
No BR Identified (Social)	354
Total	2,045

Source: CMHC

Rental Market Survey Methodology

The purpose of the CMHC survey was to identify residential accommodation in Iqaluit available for long-term rental and identify the current market rent on those units.

The survey was conducted over a six-week period, from mid-November to year-end 2014. Our survey depends on the input of developers, building owners, two levels of government, and their respective housing officials. CMHC acknowledges their hard work and assistance in providing timely and accurate information.

CMHC—HOME TO CANADIANS

Canada Mortgage and Housing Corporation (CMHC) has been Canada's national housing agency for more than 65 years.

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