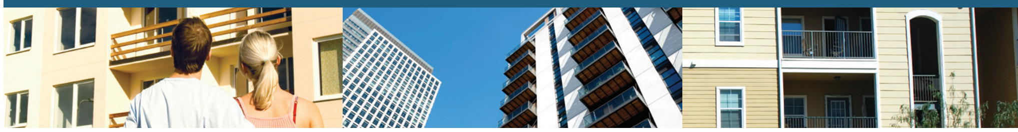
HOUSING MARKET INFORMATION

# RENTAL MARKET REPORT

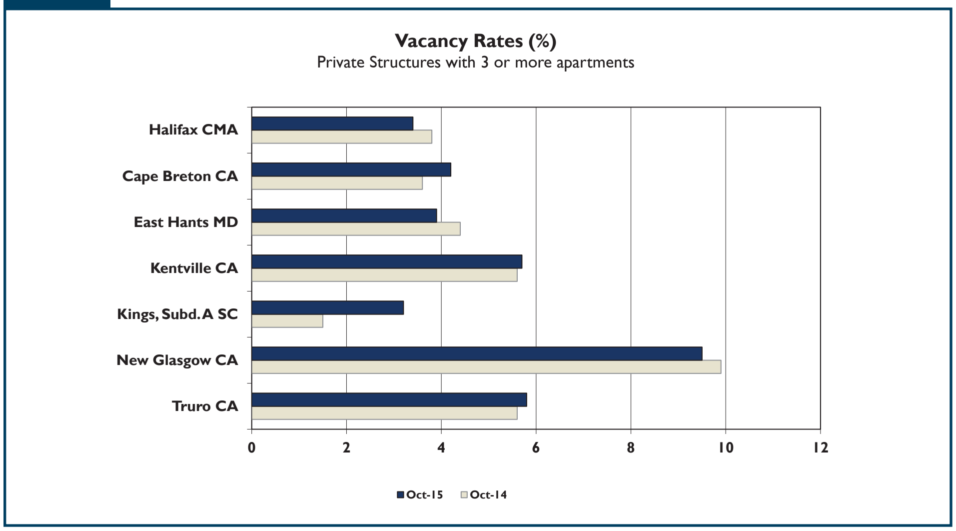
## Nova Scotia Highlights*



CANADA MORTGAGE AND HOUSING CORPORATION

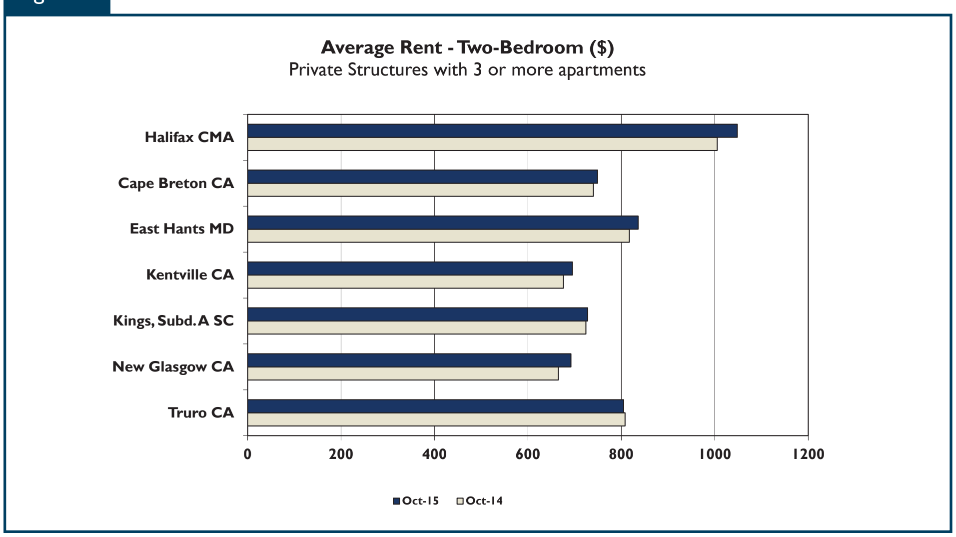
Date Released: Fall 2015

Figure 1




Source: CMHC Rental Market Survey

Figure 2




Source: CMHC Rental Market Survey

*Urban centres with a population of 10,000 + are included in the survey. Detailed reports are available for CMAs.

# Provincial Vacancy Rate Declined in 2015

- The overall private apartment vacancy rate in urban centres in Nova Scotia declined to 3.8 per cent in October 2015 from 4.1 per cent last year.
- Vacancies among provincial centres ranged from a low of 3.2 per cent in Kings, Subd. A to a high of 14.9 per cent in Queens RGM.
- In Halifax, the overall vacancy rate decreased to 3.4 per cent from 3.8 per cent in October 2014.
- The provincial vacancy rate for a two-bedroom unit was 4.2 per cent in October 2015, down from 4.7 per cent last year, while the average rent was $992.

According to the results from Canada Mortgage and Housing Corporation's (CMHC) Fall 2015 Rental Market Survey[1], the overall vacancy rate[2] in Nova Scotia's urban centres[3] decreased to 3.8 per cent this year from 4.1 per cent in 2014.

In Halifax, vacancies declined from 3.8 per cent last year to the current rate of 3.4 per cent. The decrease realized in Halifax, however, was balanced by higher vacancies in Nova Scotia's second and third largest urban centres, Cape Breton CA and Truro, where current vacancies sit at 4.2 per cent and 5.8 per cent, respectively.

## Strengthening Economic Fundamentals Positively Impact Vacancy Rate

The overall decline in Nova Scotia's vacancy rate was significantly impacted by the 0.4 per cent vacancy decrease recorded in the Halifax CMA, which accounts for 85 per cent of Nova Scotia's total apartment universe. According to Statistics Canada's Labour Force Survey, Halifax's population fifteen and over grew to 349,800 as of October 2015.[4] This is a 1.4 per cent increase, or approximately 4,900 individuals, from population numbers recorded in October 2014. This growth in Halifax's population stemmed from an increase in both intraprovincial migrants and new Canadian immigrants occurring in late 2014 and continuing into 2015. This rise in the population also helped to push total employment in Halifax, increasing by 0.7 per cent between October 2014 and October 2015. The combination of population and employment growth, helped to spur an increase in rental demand and the resulting decline in the vacancy rate for 2015.

Rising population figures in the Halifax CMA also helped to positively impact overall population figures in Nova Scotia, expanding by 0.4 per cent from October 2014 to October 2015. Total employment in Nova Scotia peaked in 2012 at approximately 455,500 jobs before declining the past two years and then leveling to remain relatively stable currently at 451,100 jobs. In addition, total employment increases in Nova Scotia were realized in full-time employment, which increased by 1.1 per cent as of October 2015.

Demand for rental units in Nova Scotia has also been positively impacted by the aging population base. As of 2011, the median provincial age climbed to 43 years from 38 in 2001 and 33 in 1991. Further, the percentage of Nova Scotians aged 65 or older increased 11 per cent between 2006 and 2011 to about 153,000 residents. As a result, some demand has shifted away from single-family housing and toward one-floor living accommodations, including rental units.

However, losses in employment levels continue to be felt in the youth population segment aged 15-24. As of October 2015, year-over-year youth employment fell by 3.4 per cent, in relation to declines of 3 per cent, 1.7 per cent and 2.6 per cent in 2012, 2013 and 2014, respectively. With the youth segment having a high propensity to rent, the lack of job creation for this population will ultimately create upward pressure on the vacancy rate or limit the potential for future supply growth.

## Halifax Leads the Overall Vacancy Rate Decline

Nova Scotia has a current private apartment universe of 53,283 units, a rise from 51,773 units as of October 2014. The Halifax CMA helped to expand the total universe with the addition of 1,267 apartment rental completions over the 12 month period from July 2014 to June 2015, compared to 1,438 rental completions over the same period in 2014. In terms of apartment starts, Halifax saw 1,338 rental starts as of the end of September, a significant rise from the 854 starts in all of 2014. Current vacancy rates, however, show that the rate of absorption is increasing, with vacancy declining to 3.4 per cent. This increased absorption shows a positive trend for the current developments underway.

Apartment construction remains dormant in the Cape Breton CA this year with only one rental completion from July 2014 to June 2015. In comparison, 2014 saw zero rental completions, while 2013 had 34 rental apartment completions over the same period. Lack of construction activity, coupled with a stagnant population base, has caused the vacancy rate to remain statistically unchanged this year at 4.2 per cent.

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1 Due to seasonal factors, the results of the October 2015 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 Labour force, population, and migration data are sourced from Statistics Canada.

The Northern Nova Scotia Region, consisting of New Glasgow and Truro, saw zero and 14 apartment completions from July 2014 to June 2015, respectively. Despite little population growth, vacancy rates in New Glasgow and Truro both remained statistically stable at 9.5 per cent and 5.8 per cent, respectively.

In Queens County, however, vacancies saw a sharp increase this year. Despite adding no apartments to the rental universe in the last two years, vacancy increased to 14.9 per cent from 3.4 per cent in 2014. In addition, although still the lowest vacancy rate in the province, Kings, Subd. A also recorded a rise in vacancies this year, climbing to 3.2 per cent from a low of 1.5 per cent last year. Queens and Kings Subd. A, however, have the smallest number of apartments, contributing only 125 and 156 units to the total rental universe, respectively.

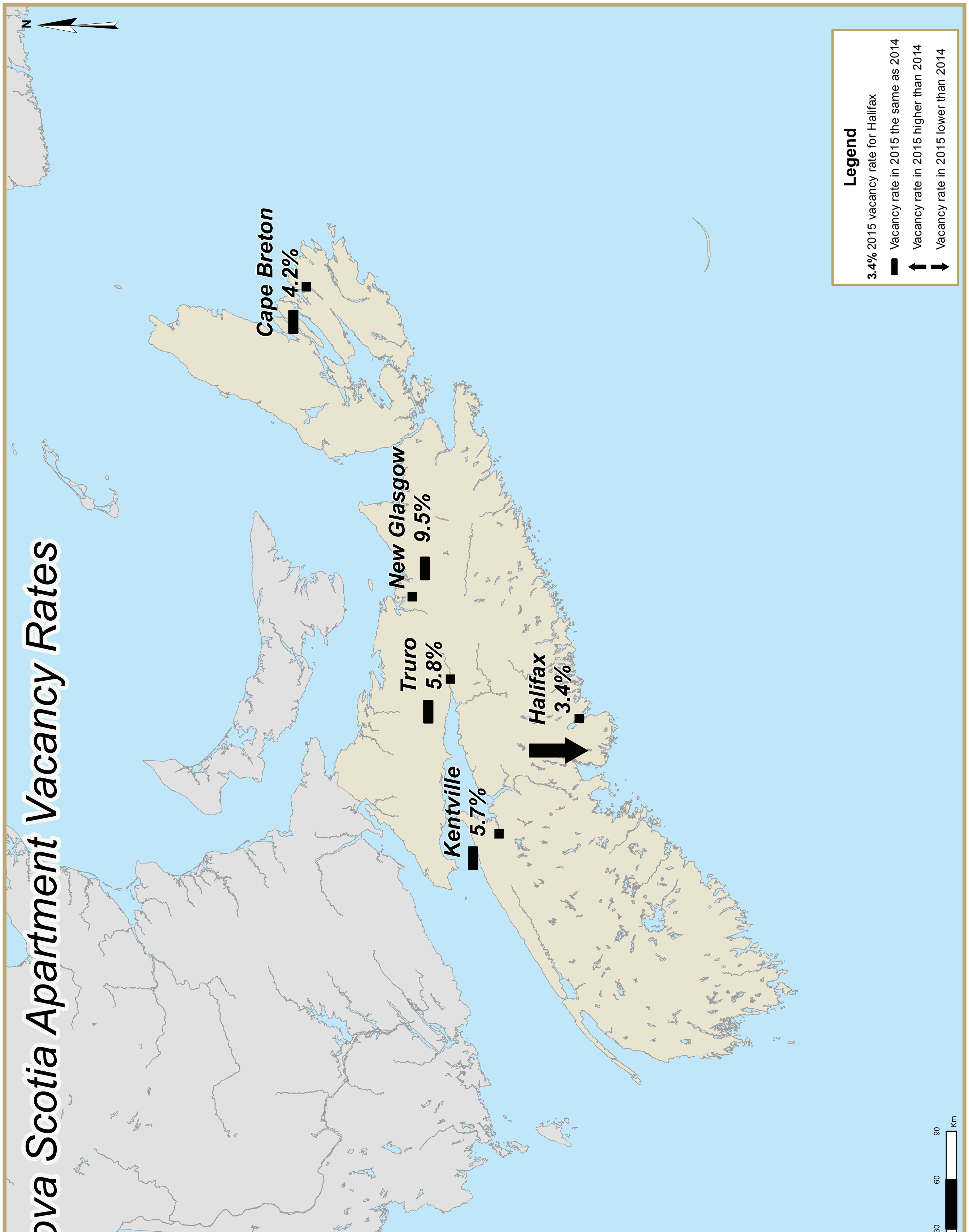
## Average Rents Continue to Increase

The overall average rent for a unit in Nova Scotia's urban centres stood at $934 this year, increasing from an average rent of $897 in 2014. For a two-bedroom unit, average rent totaled $992, climbing from $955 in October 2014. Halifax was the only centre to report an above average priced two-bedroom unit at $1,048, rising from an average rent of $1,005 last year. Average two-bedroom rents were next highest in East Hants and Truro at $836 and $805, respectively. In the Cape Breton CA, two-bedroom rents stood at $749 this year, while in the Annapolis Valley markets of Kings, Subd. A and Kentville, average two-bedroom rents were $728 and $695, respectively. Average rents increased this year in all regions except Queens and Truro, which recorded slight year-over-year declines.

## Same Sample Rents Increased in 2015

Based on units common to both the 2014 and 2015 Fall Rental Market Surveys[5], the average rent for a two-bedroom unit in Nova Scotia increased 1.7 per cent this year. In Halifax, where 85 per cent of the rental stock is located, same sample two-bedroom rents also climbed 1.7 per cent in 2015. The largest same sample two-bedroom rent increase this year was reported in New Glasgow, where rents climbed by 3.3 per cent. In Truro, Kings, Subd. A and Kentville, same sample rents posted more modest increases of 0.7, 1.3 and 1.6 per cent, respectively, while Queens reported a same sample average rent decline of 0.8 per cent.

[5] 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 October 2014 and October 2015 surveys provides a better indication of actual rent increases paid by tenants.


Nova Scotia Apartment Vacancy Rates
N
Cape Breton
4.2%
New Glasgow
9.5%
Truro
5.8%
Halifax
3.4%
Kentville
5.7%
Legend
3.4% 2015 vacancy rate for Halifax
Vacancy rate in 2015 the same as 2014
Vacancy rate in 2015 higher than 2014
Vacancy rate in 2015 lower than 2014
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 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Oct-14 | Oct-15 | | Oct-14 | Oct-15 | | Oct-14 | Oct-15 | | Oct-14 | Oct-15 | | Oct-14 | Oct-15 | |
| Halifax CMA | 2.7 a | 2.5 a | - | 2.7 a | 2.8 a | - | 4.6 a | 3.9 a | ↓ | 4.2 b | 3.8 b | - | 3.8 a | 3.4 a | ↓ |
| Cape Breton CA | 3.9 c | ** | | 3.8 b | 7.4 c | ↑ | 3.2 b | 3.3 c | - | 5.8 b | 4.5 d | - | 3.6 b | 4.2 b | - |
| Sydney City | 3.3 c | ** | | 5.0 b | ** | | 2.4 b | 3.2 c | - | 6.6 b | 5.0 d | - | 3.5 b | 4.2 c | - |
| Remainder of CA | ** | ** | | 0.8 a | ** | | 4.9 a | 3.6 d | - | 0.0 a | ** | | 3.8 b | 4.1 c | - |
| East Hants MD | ** | ** | | 6.0 d | 3.1 d | - | 4.1 c | 4.5 d | - | ** | ** | | 4.4 c | 3.9 d | - |
| Kentville CA | ** | ** | | 5.8 c | 5.3 c | - | 5.1 b | 5.6 b | - | 2.0 c | ** | | 5.6 b | 5.7 b | - |
| Kings, Subd. A SC | - | - | | ** | ** | | 0.9 a | 2.9 c | ↑ | ** | ** | | 1.5 a | 3.2 d | ↑ |
| New Glasgow CA | ** | 14.4 d | | 11.6 d | 11.5 c | - | 8.2 c | 8.1 b | - | ** | ** | | 9.9 b | 9.5 b | - |
| Queens RGM | ** | ** | | ** | ** | | 4.8 b | ** | | - | - | | 3.4 c | 14.9 d | ↑ |
| Truro CA | 4.8 d | 5.8 d | - | 6.4 b | 6.1 c | - | 5.4 b | 5.8 b | - | ** | ** | | 5.6 a | 5.8 b | - |
| **Nova Scotia 10,000+** | **3.5** b | **3.0** b | - | **3.2** a | **3.3** a | - | **4.7** a | **4.2** a | ↓ | **4.3** b | **3.8** b | - | **4.1** a | **3.8** 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
## Nova Scotia

| Centre | Bachelor | | 1 Bedroom | | 2 Bedroom | | 3 Bedroom + | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Oct-14 | Oct-15 | Oct-14 | Oct-15 | Oct-14 | Oct-15 | Oct-14 | Oct-15 | Oct-14 | Oct-15 |
| Halifax CMA | 716 a | 731 a | 800 a | 833 a | 1,005 a | 1,048 a | 1,267 a | 1,295 a | 934 a | 974 a |
| Cape Breton CA | 544 a | 553 a | 607 a | 601 a | 740 a | 749 a | 953 a | 1,074 a | 701 a | 727 a |
| Sydney City | 547 a | 559 a | 627 a | 621 a | 762 a | 761 a | 1,019 b | 1,103 a | 718 a | 747 a |
| Remainder of CA | 488 c | 497 b | 557 a | 556 a | 693 a | 722 a | 751 a | ** | 659 a | 674 a |
| East Hants MD | ** | ** | 635 a | 650 a | 817 a | 836 a | 739 c | 847 b | 765 a | 793 a |
| Kentville CA | 519 a | 531 a | 542 a | 552 a | 676 a | 695 a | 729 a | 728 b | 641 a | 659 a |
| Kings, Subd. A SC | - | - | 570 a | 628 a | 724 a | 728 a | ** | ** | 715 a | 722 a |
| New Glasgow CA | 468 a | 489 a | 539 a | 555 a | 665 a | 692 a | 697 a | 831 c | 615 a | 642 a |
| Queens RGM | ** | ** | 560 a | 599 a | 563 a | 562 a | - | - | 561 a | 578 a |
| Truro CA | 493 a | 498 a | 618 a | 633 a | 808 a | 805 a | 879 a | 855 a | 744 a | 749 a |
| **Nova Scotia 10,000+** | **686** a | **702** a | **776** a | **807** a | **955** a | **992** a | **1,231** a | **1,262** a | **897** a | **934** 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 Nova Scotia

| Centre | Bachelor | | 1 Bedroom | | 2 Bedroom | | 3 Bedroom + | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Oct-14 | Oct-15 | Oct-14 | Oct-15 | Oct-14 | Oct-15 | Oct-14 | Oct-15 | Oct-14 | Oct-15 |
| Halifax CMA | 2,708 | 2,714 | 15,775 | 16,166 | 21,959 | 22,687 | 3,543 | 3,668 | 43,985 | 45,235 |
| Cape Breton CA | 141 | 146 | 433 | 446 | 1,099 | 1,171 | 115 | 128 | 1,788 | 1,891 |
| Sydney City | 126 | 135 | 301 | 318 | 752 | 807 | 98 | 111 | 1,277 | 1,371 |
| Remainder of CA | 15 | 11 | 132 | 128 | 347 | 364 | 17 | 17 | 511 | 520 |
| East Hants MD | 3 | 3 | 89 | 88 | 253 | 265 | 20 | 20 | 365 | 376 |
| Kentville CA | 50 | 44 | 360 | 369 | 960 | 954 | 50 | 48 | 1,420 | 1,415 |
| Kings, Subd. A SC | 0 | 0 | 16 | 16 | 111 | 132 | 8 | 8 | 135 | 156 |
| New Glasgow CA | 81 | 85 | 312 | 340 | 749 | 756 | 25 | 30 | 1,167 | 1,211 |
| Queens RGM | 6 | 6 | 72 | 72 | 47 | 47 | 0 | 0 | 125 | 125 |
| Truro CA | 101 | 114 | 735 | 765 | 1,758 | 1,762 | 124 | 127 | 2,718 | 2,768 |
| **Nova Scotia 10,000+** | **3,096** | **3,118** | **17,826** | **18,305** | **26,960** | **27,822** | **3,891** | **4,038** | **51,773** | **53,283** |

** 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 Nova Scotia

| Centre | Bachelor | | | 1 Bedroom | | | 2 Bedroom | | | 3 Bedroom + | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Oct-14 | Oct-15 | | Oct-14 | Oct-15 | | Oct-14 | Oct-15 | | Oct-14 | Oct-15 | | Oct-14 | Oct-15 | |
| Halifax CMA | 3.2 b | 3.4 b | - | 3.5 a | 3.8 a | ↑ | 5.3 a | 5.0 a | - | 4.9 b | 4.9 b | - | 4.5 a | 4.5 a | - |
| Cape Breton CA | 3.9 c | ** | | 3.8 b | 7.4 c | ↑ | 3.2 b | 3.5 c | - | 5.8 b | 5.2 d | - | 3.6 b | 4.4 b | - |
| Sydney City | 3.3 c | ** | | 5.0 b | ** | | 2.4 b | 3.4 c | - | 6.6 b | 5.7 d | - | 3.5 b | 4.4 c | - |
| Remainder of CA | ** | ** | | 0.8 a | ** | | 4.9 a | 3.6 d | - | 0.0 a | ** | | 3.8 b | 4.1 c | - |
| East Hants MD | ** | ** | | 6.0 d | 3.1 d | - | 4.1 c | 4.5 d | - | ** | ** | | 4.4 c | 3.9 d | - |
| Kentville CA | ** | ** | | 6.1 c | 5.3 c | - | 6.4 b | 5.6 b | - | 2.0 c | ** | | 6.7 b | 5.7 b | ↓ |
| Kings, Subd. A SC | - | - | | ** | ** | | 0.9 a | 2.9 c | ↑ | ** | ** | | 1.5 a | 3.2 d | ↑ |
| New Glasgow CA | ** | 14.4 d | | 13.1 d | 11.8 c | - | 8.7 c | 8.6 b | - | ** | ** | | 10.6 c | 9.9 b | - |
| Queens RGM | ** | ** | | ** | ** | | 4.8 b | ** | | - | - | | 3.4 c | 14.9 d | ↑ |
| Truro CA | 4.8 d | 5.8 d | - | 6.7 b | 6.3 c | - | 5.6 b | 5.9 b | - | ** | ** | | 5.9 a | 5.9 b | - |
| **Nova Scotia 10,000+** | **4.0 b** | **3.8 b** | - | **3.9 a** | **4.2 a** | ↑ | **5.3 a** | **5.1 a** | - | **4.9 a** | **4.8 b** | - | **4.7 a** | **4.7 a** | - |

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Please click Methodology or Data Reliability Tables Appendix link for more details

## 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 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Oct-13 to Oct-14 | Oct-14 to Oct-15 | Oct-13 to Oct-14 | Oct-14 to Oct-15 | Oct-13 to Oct-14 | Oct-14 to Oct-15 | Oct-13 to Oct-14 | Oct-14 to Oct-15 | Oct-13 to Oct-14 | Oct-14 to Oct-15 |
| Halifax CMA | 2.2 b | 1.7 c | 2.6 c | 2.2 a | 1.8 b | 1.7 a | 1.7 b | 1.4 a | 1.7 b | 2.1 a |
| Cape Breton CA | 3.2 d | ++ | 2.7 c | ** | 1.8 c | 2.4 c | ++ | ++ | 1.6 b | 2.5 c |
| Sydney City | 3.7 d | ++ | 2.7 c | ++ | 1.6 c | 2.0 c | ++ | ++ | 1.3 a | 2.2 c |
| Remainder of CA | ++ | ++ | 2.8 c | 2.9 c | 2.0 c | 3.1 d | 0.8 d | ** | 2.5 c | 3.2 d |
| East Hants MD | ** | ** | ++ | 1.9 c | ++ | 0.9 d | ++ | ** | 1.4 d | 1.3 a |
| Kentville CA | 3.0 c | ++ | 1.4 a | ++ | 1.0 a | 1.6 b | 2.1 b | ++ | 1.2 a | 1.3 a |
| Kings, Subd. A SC | - | - | ++ | 6.1 b | 1.7 c | 1.3 a | ** | ** | 1.5 c | 1.9 c |
| New Glasgow CA | ++ | ** | ** | ** | ++ | 3.3 d | ++ | ** | ++ | 3.8 c |
| Queens RGM | ** | ** | -7.0 c | ** | ++ | -0.8 d | - | - | -4.7 d | 5.1 d |
| Truro CA | ++ | 2.1 c | 4.5 b | 1.4 a | 3.6 b | 0.7 b | ++ | ++ | 3.2 b | 0.7 a |
| **Nova Scotia 10,000+** | **2.1 b** | **1.9 c** | **2.5 c** | **2.1 a** | **1.7 a** | **1.7 a** | **1.7 b** | **1.5 a** | **1.6 b** | **2.1 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.

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

## 5.1 Other Secondary Rented Unit[1] Average Rents ($) by Dwelling Type Nova Scotia - October 2015

| | Bachelor | | 1 Bedroom | | 2 Bedroom | | 3 Bedroom + | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Oct-14 | Oct-15 | Oct-14 | Oct-15 | Oct-14 | Oct-15 | Oct-14 | Oct-15 | Oct-14 | Oct-15 |
| **Halifax CMA** | | | | | | | | | | |
| Single Detached | ** | ** | ** | ** | ** | 996 c | 1,266 b | ** | 1,152 d | ** |
| Semi detached, Row and Duplex | ** | ** | ** | ** | 905 c | 978 d - | 984 c | 1,019 c - | 942 b | 982 b - |
| Other-Primarily Accessory Suites | ** | ** | ** | ** | ** | 817 d | ** | ** | ** | 846 d |
| Total | ** | ** | ** | ** | ** | 951 b | 1,114 b | 1,168 d - | 1,033 b | 1,059 c - |

[1]Statistics for secondary rented units exclude apartments in purpose built rental structures with three rental units or more, condominium apartments, units in institutions, and any dwelling whose type could not be identified in the survey.

The following letter codes are used to indicate the reliability of the estimates (cv = coefficient of variation):
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

↑ 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

## 5.2 Estimated Number of Households in Other Secondary Rented Units[1] by Dwelling Type Nova Scotia - October 2015

| | Estimated Number of Households in Other Secondary Rented Units[1] | |
|---|---|---|
| | Oct-14 | Oct-15 |
| **Halifax CMA** | | |
| Single Detached | 5,896 d | 5,432 d ↓ |
| Semi detached, Row and Duplex | 7,171 c | 7,237 c ↑ |
| Other-Primarily Accessory Suites | ** | ** |
| Total | 15,096 | 14,961 |

[1]Statistics for secondary rented units exclude apartments in purpose built rental structures with three rental units or more, condominium apartments, units in institutions, and any dwelling whose type could not be identified in the survey.

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

↑ 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

## 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 is constantly reviewing the Universe of rental structures in the rental market Universe to ensure that it is as complete as possible. Every year, any newly completed rental structures with at least 3 rental units are added to the Universe. In addition to this, CMHC undertakes comprehensive reviews by comparing the Universe listing to other sources of data to ensure that the list of structures is as complete as possible.

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.

# METHODOLOGY FOR SECONDARY RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts a survey of the **Secondary Rental Market** (SRMS) in late summer and early fall to estimate the relative strengths in the secondary rental market which is defined as those dwellings not covered by the regular RMS – rented single-detached homes, semi-detached (double) homes, rented freehold row/townhomes, rented duplex apartments (i.e., one-above-other), rented accessory apartments (separate dwelling units that are located within the structure of another dwelling type), rented condominiums (can be any dwelling type but are primarily apartments), and one or two apartments which are part of a commercial or other type of structure.

The SRMS has three components which are conducted in selected CMAs:

- A Household Rent Survey of all households to collect information about rents in the following CMAs: Abbotsford, Barrie, Calgary, Edmonton, Halifax, Hamilton, Kelowna, Montréal, Ottawa, Québec, Regina, Saskatoon, St. Catharines-Niagara, St. John's, Toronto, Vancouver, Victoria, Windsor and Winnipeg.
- A Condominium Apartment Rent Survey of households living in condominium apartments to collect information about rents in the following CMAs: Calgary, Edmonton, Montréal, Ottawa, Québec, Toronto, Vancouver, Victoria and Winnipeg.
- A Condominium Apartment Vacancy Survey to collect vacancy information in the following CMAs: Calgary, Edmonton, Gatineau, Hamilton, Kelowna, Kitchener, London, Montréal, Ottawa, Québec, Regina, Saskatoon, Toronto, Vancouver, Victoria and Winnipeg.

All three surveys are conducted by telephone interviews. For the condominium apartment vacancy survey, information is obtained from the property management company or condominium (strata) board, or building superintendent and can be supplemented by site visits if no telephone contact is made. For the other two surveys, information is collected from an adult living in the household. All surveys are conducted in late summer and early fall, and the results reflect market conditions at that time.

CMHC publishes the number of units rented and vacancy rates from the condominium vacancy survey. For the condominium rent and household rent surveys, the average rent is published. A letter code representing the statistical reliability (i.e., the coefficient of variation (CV)) for each estimate is provided to indicate the data reliability.

Every year CMHC reviews the method of estimation for Household Rent Survey, which may result in some changes to previously published estimates. All statistics in this report are reflective of the new method of estimation.

# 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 is based on Statistics Canada's 2011 Census area definitions.

**Acknowledgement**

The Rental Market Survey and the Secondary Rental Market Survey could not have been conducted without the cooperation of the rental property owners, managers, building superintendents and household members 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

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