

HOUSING MARKET INSIGHT

Canada



CANADA MORTGAGE AND HOUSING CORPORATION

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“Purpose-built rental buildings are an important part of the rental supply in Canada, especially in urban centres where they house slightly more than half of households who rent. While individual investors and private corporations own the bulk of these buildings, it’s interesting to note that these groups are not evenly represented across major markets.”



Gustavo Durango
Senior Economist, Canada Mortgage
and Housing Corporation

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Rental Ownership Structure in Canada**Highlights**

- Roughly 90% of purpose-built rental apartment units in Canada are owned by individual investors and private corporations.
- Units owned by individual investors tend to have lower rents than units owned by other ownership types, but the difference is smallest in the most expensive markets.
- The share of foreign ownership of purpose-built rental apartments is small.

This report presents data on ownership of apartment buildings in the purpose-built rental market. The information presented is based on a new set of questions added to CMHC’s 2016 Rental Market Survey. The motivation for these new questions was to address one of the data gaps in the housing market identified by consultations conducted in 2014 and 2015. Purpose-built rental buildings are an important part of rental supply in Canada, especially in urban areas, where they were the source of housing for slightly more than half of renter households in 2011¹. Apartment buildings represented over 95% of the purpose-built rental stock in 2016, with row homes (also known as townhomes) making up the remainder².

Average national results across major centres are presented, while highlighting the markets of Vancouver, Edmonton, Toronto, Montréal and Halifax. These five centres were chosen for more detailed analysis because they are the largest rental markets in their respective regions in terms of their share of the overall stock of the purpose-built rental apartment market.

The first part of the report defines the different types of owners and discusses overall market shares while highlighting key regional differences. The second part presents results on average rent levels, age of structures, vacancy rates and the size of structures associated with the different types of owners. The third part discusses results relating to the foreign ownership of the purpose-built rental apartment stock.

Individual Investors and Private Corporations own the bulk of Canada’s purpose-built rental apartment units

Ownership of purpose-built rental apartment units is categorized into six ownership types. The definitions of the different ownership types are listed below, noting the key facts associated with each ownership type that are elaborated in the rest of the report:³

- **Individual Investors** – This includes all non-incorporated owners of the rental housing stock, mainly comprised of individual investors and small joint ventures, representing 49.3% of the market. Individual Investors are well-represented across all 35 centres. The average rent associated with the units they own tends to be lower than the rent associated with other ownership types in most centres, including Montréal. However, the difference is generally smallest in centres with high overall rents, including Vancouver, Edmonton, Toronto and Halifax;
- **Private Corporations** – Corporations that do not offer company stock to the general public on stock market exchanges, accounting for 39.7% of the market. Private Corporations and Individual Investors are similar in their broad geographic representation;
- **Real Estate Investment Trusts (REITs)** – A trust or association that owns, and in most cases operates, income-producing real estate, accounting for 7.9% of the

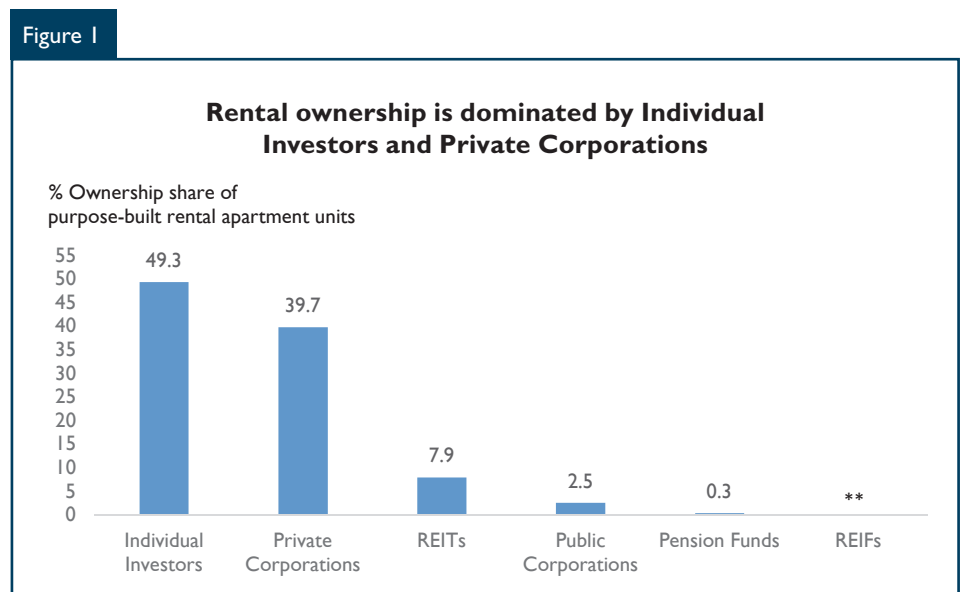
market. REITs and the remaining ownership types differ significantly from Individual Investors and Private Corporations in being much more concentrated geographically. REITs are concentrated particularly in the Atlantic provinces and the Prairies;

- **Public Corporations** – Corporations that offer company stock to the general public on stock market exchanges, accounting for 2.5% of the market. More geographically concentrated than REITs, the units owned by Public Corporations also tend to be more concentrated in relatively high-rent markets;
- **Pension Funds** – Pension Funds are established by an employer to pay retirement benefits to employees, and may directly own income-producing real estate assets. Pension Funds account for only 0.3% of the overall rental market, with the vast majority

of their units located in Toronto. Despite their high concentration in Toronto, their market share remains low, at 1.7% of Toronto’s purpose-built apartment stock. While the units owned by Pension Funds command the highest average rent of all ownership types, their small market share implies that they are not a major determinant of the overall rent level, even in Toronto;

- **Real Estate Investment Funds (REIFs)** – Representing a very small slice of the market⁴, these are mutual funds that primarily focus on investing in securities offered by real estate companies, but which may also invest directly in income-producing real estate properties.

Figure 1 shows the share of all purpose-built rental apartment units in Canada’s major urban markets by ownership type.



Source: CMHC, Rental Market Survey (2016)

Note: “**” indicates that data is suppressed due to poor statistical reliability

Ownership concentrations vary across Canada's major centres

Figure 2 shows the shares of all purpose-built rental apartment units in major centres that are owned by the two most dominant and geographically dispersed ownership types, Individual Investors (left side of Figure 2) and Private Corporations (right side of Figure 2).

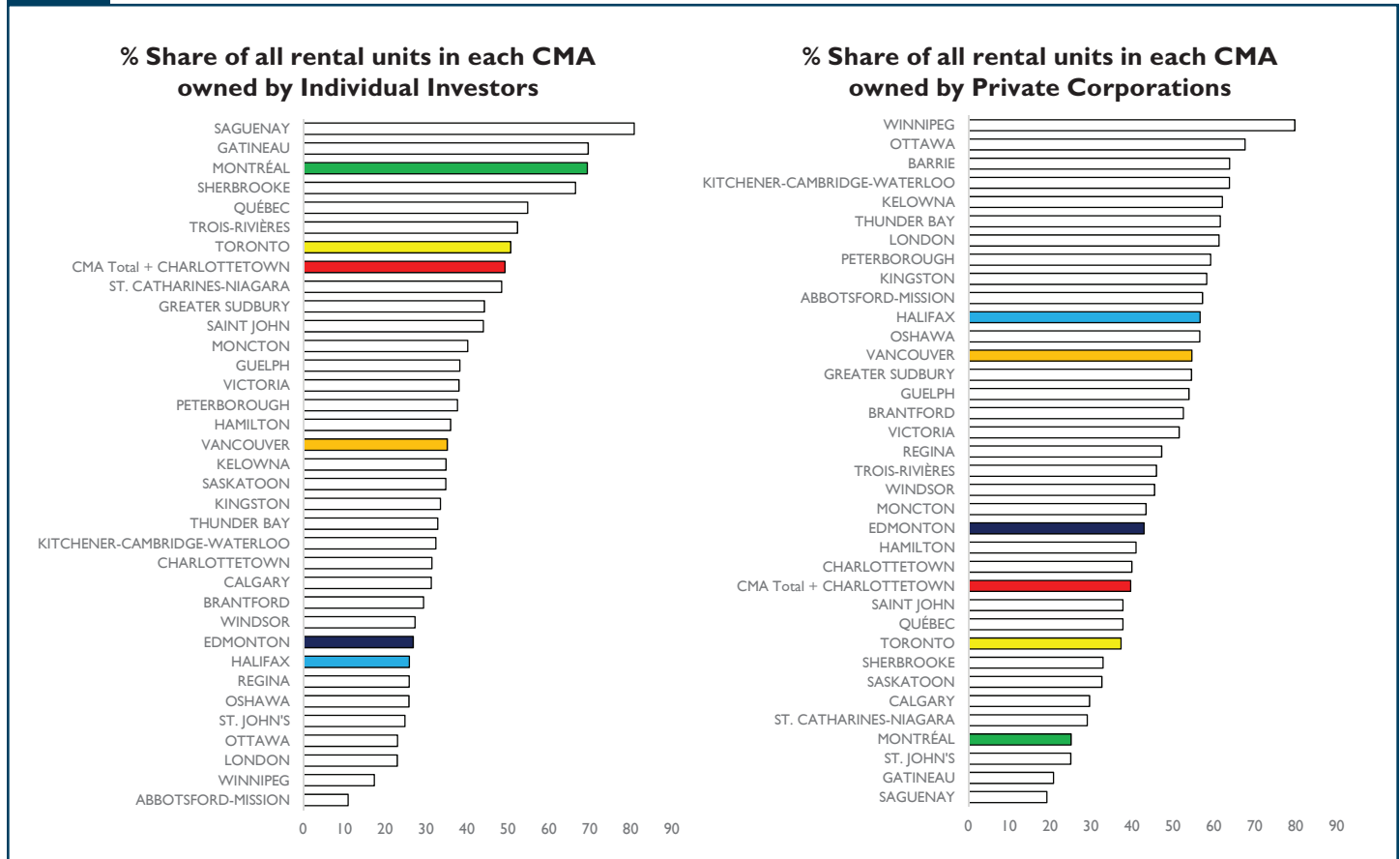
Figures 2 illustrates that the two major ownership classes are not evenly concentrated across

major markets. Ownership in the generally less-expensive⁵ rental markets in the province of Quebec, including Montréal, tends to be more concentrated in the hands of Individual Investors than in other regions. The relatively more-expensive rental markets of Vancouver, Edmonton and Halifax all have concentrations of Individual Investors that are below the national average. Toronto is a major exception to the general trend of lower concentrations of Individual Investors in more expensive markets.

The distribution for Private Corporations is roughly the reverse of the rankings for Individual Investors, with Halifax, Vancouver and Edmonton now showing above-average concentrations of ownership by Private Corporations, while Toronto and Montréal have lower-than-average concentrations.

The rest of this section summarizes the geographic concentrations of the remaining ownership types that jointly account for only about

Figure 2



Source: CMHC, Rental Market Survey (2016)

Note: Centres with data that is repressed due to poor statistical reliability are not shown.

11% of the market. Figure 3 shows the concentration of ownership for REITs (left side of Figure 3) and Public Corporations (Right side of Figure 3). As mentioned above, these ownership types display a greater degree of geographic ownership concentration than Individual Investors and Private Corporations.

Figure 3 illustrates that REITs, despite their small share of the overall national purpose-built rental apartment market, are major presences in some centres, particularly in the Atlantic region. For example, REITs own about half of the purpose-built stock of rental apartments in St. John's and nearly 30% of the stock

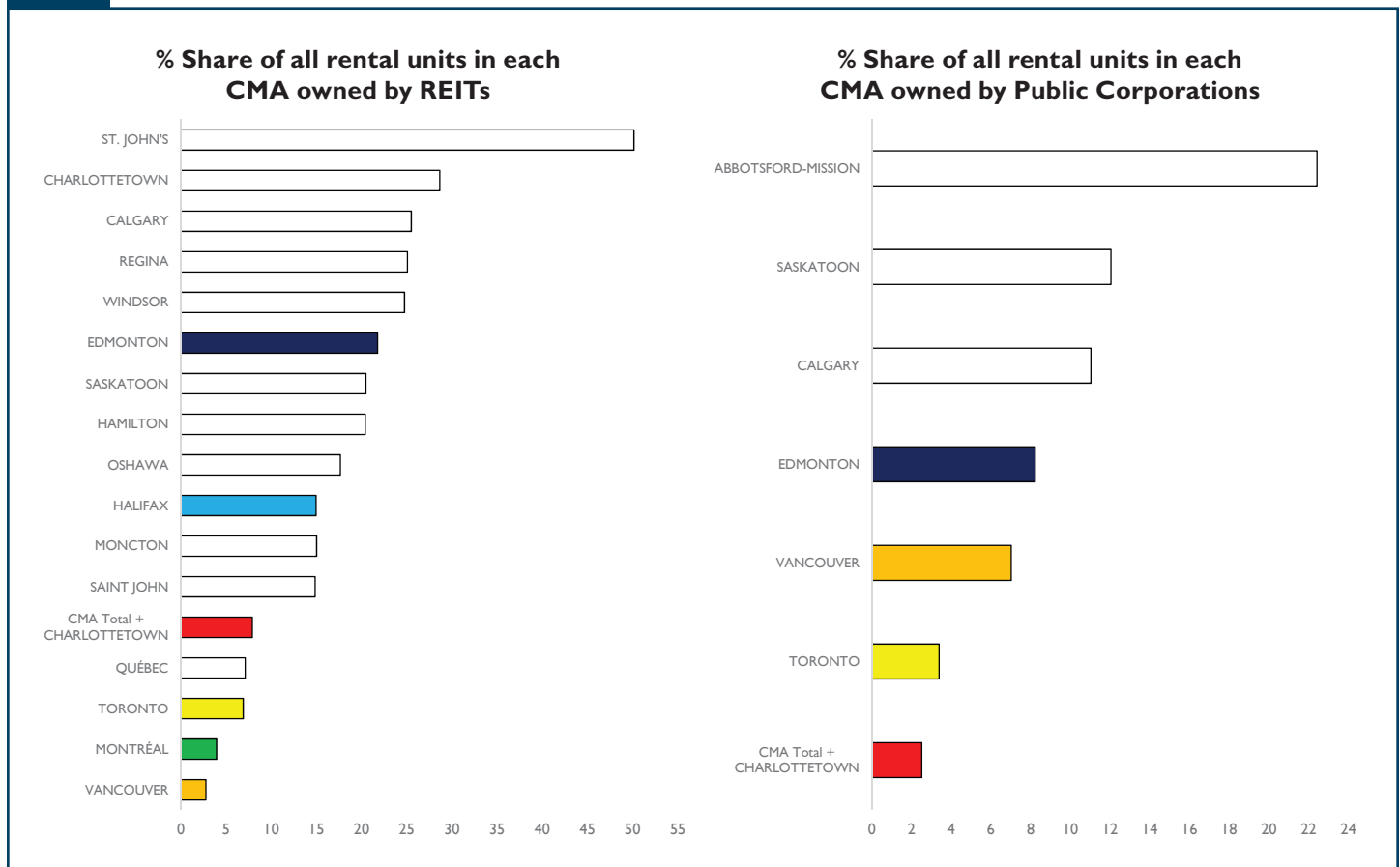
in Charlottetown. It is important to note that the purpose-built rental market of St. John's is the smallest among Canada's major centres, when measured relative to its population. As a result, having even relatively few structures owned by REITs can lead to them being a large share of total ownership⁶.

REITs also own relatively large shares of the rental stock in the Prairies, accounting for over 20% of the stock in Saskatoon, Edmonton, Regina and Calgary, well-above the national average of about 8%. REITs are also present in some Ontario markets, but do not have a major presence in Toronto. Therefore, while REITs are not a major source

of purpose-built rental supply at the national level, their geographic concentration in the Atlantic region and the Prairies implies that they are much more consequential in those regions.

Public Corporations are most active in markets with relatively high average rents, including Edmonton, Vancouver and Toronto. Pension Funds' rental ownership is almost exclusively concentrated in Toronto, where approximately 90% of their units are located. However, the share of the total purpose-built rental apartment market in Toronto that is owned by Pension Funds is low at 1.7% (geographic information for REIFs is suppressed).

Figure 3



Source: CMHC, Rental Market Survey (2016)

Note: Centres with data that is repressed due to poor statistical reliability are not shown.

Purpose-built rental apartment units owned by Individual Investors tend to be associated with lower rents

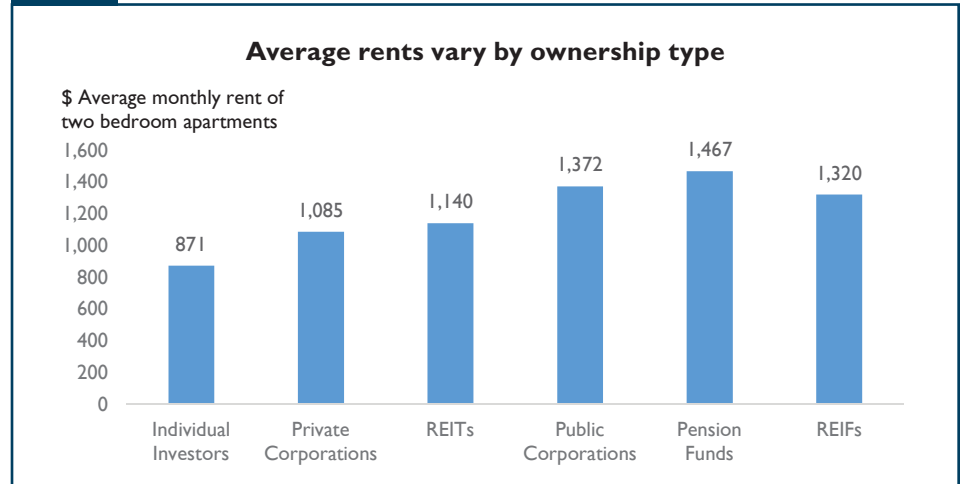
Figure 4 shows the average monthly rent for a two-bedroom apartment in purpose-built structures by ownership type, on average across major centres. Nationally, the lowest average rents are associated with units owned by Individual Investors at \$871. Private Corporations follow at \$1,085. The remaining ownership types, which account for about 11% of the market, are associated with higher average rent levels.

Markets with the highest overall rent levels show relatively little difference between the average rents associated with Individual Investors and other major ownership types

Table 1 reports the average rent of structures held by the different ownership types across all major centres. It shows that the rent difference between units owned by Individual Investors and units owned by others in the most expensive markets tends to be small, with some exceptions. For example, the difference between the average rent for units owned by Individual Investors and Private Corporations is \$46 in Vancouver, \$29 in Toronto, \$36 in Edmonton and \$18 in Halifax, markedly below the difference of \$118 in Montréal as well as the average of \$214 across all centres. In other words, the most expensive markets tend to be essentially high-rent across all ownership types, on average⁷.

Table 2 reports the average year-of-completion by ownership type. In general, Individual Investors,

Figure 4



Source: CMHC, Rental Market Survey (2016)

with the largest market share of all ownership types, tend to own older structures than other owners in most markets. This partly explains why the average rent associated with Individual Investors tends to be lower in most markets. Individual Investors in markets with higher overall rents tend to own newer units than do Individual Investors in markets with lower rents. For example, Individual Investors in Vancouver, Edmonton, Toronto and Halifax own newer structures, on average, when compared to the national average for their ownership type, while Individual Investors in Montréal own older structures. Less expensive markets also tend to be characterized by larger differences in the age of structures owned by different ownership types, with the difference in the average age of buildings by ownership type ranging from one-to-two years in Edmonton, Toronto and Halifax, below the three-year difference in Montréal and the five-year difference on average across all CMAs. However, there are exceptions to this trend, as Vancouver's range is six years.

Table 3 reports vacancy rates by ownership type. Vacancy rates are broadly similar within the same

markets, but in most centres REITs tend to have the lowest vacancy rates. In Toronto, where Pension Funds are most active, units owned by them also have significantly lower average vacancy rates. These low rates imply higher demand for units owned by REITs and Pension Funds. This is an additional factor – in addition to the age of structures – explaining higher average rents associated with these two ownership types in centres where REITs and Pension Funds have a detectable presence.

Table 4 reports the average number of units in purpose-built rental apartment structures – a measure of size – by ownership type. Notably, all the relatively less expensive centres, with average rents below the national average, also have relatively small purpose-built rental apartment structures, below the national average of 73 units. This includes Montréal (at 32 units) as well as all the surveyed centres in the province of Quebec. Toronto has the largest structures, with an average of 164 units in purpose-built rental apartment buildings, well-above the national average. The average structure size in Edmonton (69 units) and Halifax (73 units) is at or near the national average, while Vancouver is somewhat

below (61 units). The smaller size of purpose-built rental apartment structures in the province of Québec, including Montréal, is another factor explaining the generally lower average rent levels in these markets. Smaller rental structures generally offer fewer higher-end amenities (including on-site gymnasiums, parking areas, swimming pools and banquet rooms) than do larger rental structures, so units in smaller structures generally have lower rents. Table 4 also shows that Individual Investors tend to own the smallest average purpose-built rental structures when compared to other owners. This also helps explain the lower average rent level associated with units owned by Individual Investors.

The share of foreign ownership of purpose-built rental units is small in Canada

CMHC also asked questions in the Survey on the residency status of owners of the purpose-built rental buildings. A foreign resident is a person whose primary residence is outside of Canada, and includes Canadian nationals living abroad. Hence, results should not be interpreted as a measure of non-Canadian ownership. Foreign-ownership shares in purpose-built rental structures were concentrated in units owned by Individual Investors and Private Corporations.

In the five centres with a sufficient foreign ownership share to be reported, shares of foreign ownership of the purpose-built rental apartment stock were small (Table 5). In Vancouver, the foreign ownership share of the purpose-built rental apartment stock in 2016 stood at 3.2%, in Toronto it was 4.4%, in Edmonton it was 3.4% and in Montréal it was 2.0%. In Sherbrooke, the largest rental market in Canada relative to population, the foreign ownership share of the purpose-built rental apartment sector stood at 3.8%. Nationally, the foreign ownership share was 2.4%.

Trends in purchases from 2013 to 2015

Separately, CMHC also commissioned Altus Group to provide data on the purpose-built rental ownership stock in Vancouver, Calgary, Edmonton and Toronto, including data on purchase transactions for the years 2013 to 2015. Although not directly comparable, the results in the Altus study are consistent with the results presented here: Private Investors (Individual Investors and Private Corporations) are found to own the vast majority of units in these centres.

The Altus study examined purchases of purpose-built rental apartment buildings from 2013 to 2015. They found that the largest owners of the existing stock tended to be the bulk of purchasers over that period. Private Investors accounted for 82% of purpose-built rental apartment transactions in Vancouver from 2013 to 2015, 76% in Toronto, 74% in Edmonton and 65% in Calgary. Public companies and REITs jointly accounted for 10% of transactions in Vancouver, 6% in Toronto, 15% in Edmonton and 11% in Calgary. Pension funds were included along with other large financial institutions (such as Insurance Companies and Banks) in the category of "Institutions." This category accounted for 4% of transactions in Toronto, 3% in Edmonton, and under 3% in Vancouver and Calgary.

Table I – Average rent for two-bedroom apartments in purpose-built rental structures, by ownership type and centre

	Overall		Individual Investors		Private Corporations		REITs		Public Corporations		Pension Funds		REIFs	
Vancouver	\$1,450	a	\$1,422	a	\$1,468	a	\$1,395	a	\$1,468	a	**	f	-	
Toronto	\$1,327	a	\$1,289	a	\$1,318	a	\$1,338	a	\$1,737	c	\$1,446	a	**	f
Calgary	\$1,258	a	\$1,109	a	\$1,212	a	\$1,335	a	\$1,379	a	-		\$1,207	a
Edmonton	\$1,229	a	\$1,166	a	\$1,202	a	\$1,287	a	\$1,295	a	-		\$1,241	a
Ottawa	\$1,201	a	\$1,129	a	\$1,206	a	\$1,238	a	\$1,189	b	-		\$1,237	b
Victoria	\$1,188	a	\$1,129	a	\$1,239	a	\$1,240	a	\$1,442	b	**	f	-	
Barrie	\$1,150	a	\$1,044	b	\$1,164	a	-		\$1,137	a	-		-	
Kingston	\$1,119	a	\$916	a	\$1,247	a	\$1,019	a	**	f	-		**	f
Oshawa	\$1,109	a	\$979	a	\$1,157	b	\$1,211	b	-		-		-	
Regina	\$1,109	a	\$1,015	a	\$1,100	a	\$1,225	a	\$969	b	-		-	
Saskatoon	\$1,100	a	\$972	a	\$1,091	a	\$1,231	a	\$1,063	a	-		-	
Guelph	\$1,078	a	\$1,014	a	\$1,117	a	\$1,169	c	**	f	-		-	
Winnipeg	\$1,068	a	\$928	a	\$1,080	a	\$1,347	b	**	f	-		-	
Kelowna	\$1,066	a	\$993	a	\$1,064	a	-		**	f	-		-	
Halifax	\$1,063	a	\$1,046	a	\$1,064	a	\$1,028	a	\$1,444	a	-		-	
Kitchener-Cambridge-Waterloo	\$1,050	a	\$894	a	\$1,108	a	\$1,020	b	**	f	-		-	
Hamilton	\$1,037	a	\$925	a	\$1,060	a	\$1,149	a	\$1,487	c	-		-	
London	\$1,002	a	\$810	a	\$1,108	a	\$850	a	**	f	-		-	
All-CMA Total	\$995	a	\$871	a	\$1,085	a	\$1,140	a	\$1,372	a	\$1,467	a	\$1,320	a
Greater Sudbury	\$990	a	\$932	a	\$1,017	a	-		**	f	-		-	
Peterborough	\$980	a	\$894	a	\$1,015	a	**	f	-		-		-	
St. Catharines-Niagara	\$958	a	\$848	a	\$943	a	\$1,139	a	-		-		-	
St. John's	\$958	a	\$825	a	\$1,002	a	\$979	a	-		-		-	
Thunder Bay	\$940	a	\$857	a	\$989	a	\$899	a	-		-		-	
Abbotsford-Mission	\$915	a	\$790	a	\$949	a	\$899	a	\$867	a	-		-	
Brantford	\$908	a	\$770	a	\$964	a	\$1,091	b	-		-		-	
Charlottetown	\$872	a	\$852	a	\$836	a	\$962	b	-		-		-	
Windsor	\$852	a	\$761	a	\$870	a	\$916	a	**	f	-		-	
Québec	\$808	a	\$742	a	\$847	a	\$1,034	a	**	f	**	f	**	f
Moncton	\$798	a	\$757	a	\$860	a	\$804	a	**	f	**	f	-	
Montréal	\$791	a	\$747	b	\$865	a	\$1,007	a	\$1,021	c	**	f	\$1,474	b
Gatineau	\$762	a	\$748	a	\$790	a	\$872	a	\$750	a	-		-	
Saint John	\$720	a	\$682	a	\$724	a	\$786	a	\$710	a	-		**	f
Sherbrooke	\$622	a	\$609	a	\$648	a	-		\$666	a	-		**	f
Saguenay	\$587	a	\$562	a	\$692	b	-		-		-		-	
Trois-Rivières	\$587	a	\$551	a	\$631	a	\$570	a	**	f	-		**	f

Source: CMHC Rental Market Survey (2016)

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

a - Excellent, b - Very good, c - Good, d - Fair (Use with Caution)

** Poor, suppressed - No units exist in the universe for this category

Table 2 – Average year-of-completion for purpose-built rental apartment structures, by ownership type and centre

	Overall		Individual Investors		Private Corporations		REITs		Public Corporations		Pension Funds		REIFs	
Vancouver	1970	a	1964	a	1973	a	1970	a	1981	a	1970	a	-	
Toronto	1965	a	1963	a	1966	a	1969	a	1976	a	1977	a	1979	b
Calgary	1976	a	1972	a	1976	a	1979	a	1980	a	-		1984	a
Edmonton	1979	a	1978	a	1981	a	1975	a	1978	a	-		1968	a
Ottawa	1966	a	1953	a	1969	a	1982	a	1971	b	-		1982	a
Victoria	1968	a	1959	a	1973	a	1977	a	1969	a	1968	a	-	
Barrie	1972	a	1957	a	1978	a	-		1969	a	-		-	
Kingston	1974	a	1951	a	1985	a	1981	a	1992	a	-		1986	a
Oshawa	1972	a	1967	a	1973	a	1977	a	-		-		-	
Regina	1973	a	1971	a	1973	a	1975	a	1979	a	-		-	
Saskatoon	1974	a	1972	a	1978	a	1976	a	1968	a	-		-	
Guelph	1969	a	1962	a	1974	a	1970	a	1961	a	-		-	
Winnipeg	1970	a	1957	a	1973	a	1983	b	1953	a	-		-	
Kelowna	1983	a	1980	a	1985	a	-		1976	a	-		-	
Halifax	1982	a	1981	a	1984	a	1975	a	1996	a	-		-	
Kitchener-Cambridge-Waterloo	1975	a	1966	a	1980	a	1966	a	1966	a	-		-	
Hamilton	1965	a	1959	a	1964	a	1975	a	1966	d	-		-	
London	1973	a	1960	a	1978	a	1973	a	1928	a	-		-	
All-CMA Total	1967	a	1962	a	1972	a	1974	a	1975	a	1977	a	1980	a
Greater Sudbury	1970	a	1963	a	1975	a	-		1991	a	-		-	
Peterborough	1966	a	1958	a	1970	a	1980	b	-		-		-	
St. Catharines-Niagara	1968	a	1963	a	1971	a	1974	a	-		-		-	
St. John's	1970	a	1960	a	1982	a	1969	a	-		-		-	
Thunder Bay	1968	a	1960	a	1970	a	1981	a	-		-		-	
Abbotsford-Mission	1984	a	1976	a	1988	a	1977	a	1980	a	-		-	
Brantford	1973	a	1967	a	1973	a	1986	a	-		-		-	
Charlottetown	1984	a	1971	a	1983	a	1997	a	-		-		-	
Windsor	1965	a	1952	a	1967	a	1973	a	1972	a	-		1978	c
Québec	1974	a	1971	a	1978	a	1979	a	2008	a	-		1995	a
Moncton	1985	a	1978	a	1990	a	1988	a	1983	a	2004	a	-	
Montréal	1961	a	1958	a	1966	a	1971	a	1961	a	1986	a	1978	b
Gatineau	1979	a	1979	a	1979	a	1976	a	1970	a	-		-	
Saint John	1957	a	1946	a	1960	a	1972	a	1989	a	-		1963	a
Sherbrooke	1974	a	1971	a	1981	a	-		1980	a	-		2015	a
Saguenay	1968	a	1965	a	1981	a	-		-		-		-	
Trois-Rivières	1979	a	1974	a	1983	a	1990	a	1989	a	-		2015	a

Source: CMHC Rental Market Survey (2016)

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

a - Excellent, b - Very good, c - Good, d - Fair (Use with Caution)

** Poor, suppressed - No units exist in the universe for this category

Table 3 – Average vacancy rate for purpose-built rental apartments for all bedroom types, by ownership type and centre

	Overall		Individual Investors		Private Corporations		REITs		Public Corporations		Pension Funds		REIFs	
Vancouver	0.7%	a	0.8%	a	0.6%	a	0.0%	b	1.0%	a	**	f	-	
Toronto	1.3%	a	1.6%	a	1.3%	a	0.6%	a	1.7%	a	0.6%	a	**	f
Calgary	7.0%	a	8.9%	b	6.8%	b	6.1%	b	5.5%	a	-		7.5%	c
Edmonton	7.1%	a	8.1%	b	7.8%	a	5.5%	a	7.8%	b	-		5.6%	b
Ottawa	3.0%	a	4.1%	c	2.6%	a	4.0%	d	**	e	-		3.9%	c
Victoria	0.5%	a	0.7%	a	0.6%	a	0.1%	b	0.2%	b	**	f	-	
Barrie	2.2%	a	6.0%	d	2.9%	c	-		**	e	-		-	
Kingston	2.6%	a	3.4%	c	2.1%	a	0.8%	a	**	f	-		**	f
Oshawa	1.7%	a	2.5%	b	1.8%	a	0.5%	a	-		-		-	
Regina	5.5%	a	7.1%	a	4.4%	b	4.4%	a	**	e	-		-	
Saskatoon	10.3%	a	9.0%	a	9.3%	a	8.9%	a	13.7%	c	-		-	
Guelph	1.0%	a	1.4%	a	0.7%	a	0.0%		**	f	-		-	
Winnipeg	2.8%	a	3.8%	b	2.5%	a	2.6%	c	0.0%	d	-		-	
Kelowna	0.6%	a	0.4%	a	0.6%	a	-		**	f	-		-	
Halifax	2.6%	a	2.6%	a	2.4%	a	2.5%	a	-		-		-	
Kitchener-Cambridge-Waterloo	2.2%	a	2.6%	b	2.1%	a	0.7%	b	**	f	-		-	
Hamilton	3.8%	a	2.9%	b	2.6%	b	0.6%	a	**	e	-		-	
London	2.1%	a	2.9%	b	2.2%	b	1.5%	b	**	e	-		-	
All-CMA Total	3.4%	a	3.7%	a	3.1%	a	2.6%	a	4.2%	a	0.6%	a	7.2%	b
Greater Sudbury	5.3%	b	7.3%	c	3.8%	b	-		5.0%	a	-		-	
Peterborough	1.0%	a	1.5%	a	1.0%	a	**	f	-		-		-	
St. Catharines-Niagara	2.2%	a	3.1%	c	2.4%	b	1.4%	d	-		-		-	
St. John's	7.9%	a	6.8%	c	12.1%	a	-		6.5%	a	-		-	
Thunder Bay	5.0%	a	6.9%	b	4.2%	a	**	e	-		-		-	
Abbotsford-Mission	0.5%	a	0.7%	a	0.3%	a	0.5%	a	0.9%	a	-		-	
Brantford	2.1%	a	2.3%	c	2.2%	c	0.4%	b	-		-		-	
Charlottetown	1.7%	b	2.3%	b	2.2%	c	0.7%	a	-		-		-	
Windsor	2.9%	a	6.4%	c	3.0%	c	0.0%	c	**	f	-		**	f
Québec	4.9%	a	4.9%	b	5.5%	a	2.8%	a	**	f	-		**	f
Moncton	6.0%	a	7.3%	b	4.7%	b	3.0%	a	0.8%	a	**	f	-	
Montréal	3.9%	a	3.8%	b	4.5%	a	2.0%	a	6.0%	b	**	f	10.2%	d
Gatineau	6.3%	b	6.0%	c	5.1%	b	8.3%	b	1.8%	c	-		-	
Saint John	8.5%	a	8.4%	b	9.3%	b	5.4%	b	-		-		**	f
Sherbrooke	6.4%	a	6.1%	b	7.1%	a	-		**	e	-		**	f
Saguenay	7.0%	b	6.6%	c	8.3%	c	-		-		-		-	
Trois-Rivières	6.2%	a	7.0%	b	5.3%	b	**	e	**	f	-		**	f

Source: CMHC Rental Market Survey (2016)

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

a - Excellent, b - Very good, c - Good, d - Fair (Use with Caution)

** Poor, suppressed - No units exist in the universe for this category

Table 4 – Average number of apartment units in purpose-built rental structures, by ownership type and centre

	Overall		Individual Investors		Private Corporations		REITs		Public Corporations		Pension Funds		REIFs	
Vancouver	61	a	41	b	70	a	**	e	80	d	**	e	-	
Toronto	164	a	151	b	161	b	**	e	**	e	**	e	**	e
Calgary	92	b	**	e	**	e	127	d	**	e	-		**	e
Edmonton	69	a	**	e	70	c	93	d	**	e	-		**	e
Ottawa	147	d	**	e	**	e	**	e	**	e	-		**	e
Victoria	58	b	**	e	69	c	**	e	**	e	207	a	-	
Barrie	**	e	**	e	**	e	-		**	e	-		-	
Kingston	69	c	**	e	96	c	**	e	**	e	-		**	e
Oshawa	64	d	**	e	**	e	**	e	-		-		-	
Regina	44	c	**	e	40	c	**	e	**	e	-		-	
Saskatoon	44	b	**	e	35	c	**	e	29	d	-		-	
Guelph	**	e	**	e	**	e	**	e	**	e	-		-	
Winnipeg	91	b	**	e	99	c	**	e	**	e	-		-	
Kelowna	45	b	**	e	51	c	-		**	e	-		-	
Halifax	73	a	47	c	71	b	111	c	**	e	-		-	
Kitchener-Cambridge-Waterloo	**	e	**	e	**	e	**	e	**	e	-		-	
Hamilton	**	e	**	e	**	e	**	e	**	e	-		-	
London	95	d	**	e	**	e	**	e	**	e	-		-	
All-CMA Total	73	a	44	d	92	b	128	c	**	e	**	e	**	e
Greater Sudbury	50	d	**	e	**	e	-		**	e	-		-	
Peterborough	**	e	**	e	**	e	**	e	-		-		-	
St. Catharines-Niagara	**	e	**	e	**	e	**	e	-		-		-	
St. John's	50	b	**	e	52	c	68	b	-		-		-	
Thunder Bay	38	c	**	e	42	d	**	e	-		-		-	
Abbotsford-Mission	58	b	26	d	61	c	**	e	67	d	-		-	
Brantford	**	e	**	e	**	e	**	e	-		-		-	
Charlottetown	20	d	**	e	**	e	**	e	-		-		-	
Windsor	**	e	**	e	**	e	**	e	**	e	-		**	e
Québec	30	c	**	e	**	e	**	e	**	e	-		**	e
Moncton	29	b	**	e	35	d	**	e	**	e	**	e	-	
Montréal	32	c	**	e	**	e	**	e	**	e	**	e	**	e
Gatineau	**	e	**	e	**	e	**	e	**	e	-		-	
Saint John	**	e	**	e	**	e	**	e	**	e	-		**	e
Sherbrooke	19	b	**	e	32	d	-		**	e	-		**	e
Saguenay	**	e	**	e	**	e	-		-		-		-	
Trois-Rivières	14	c	**	e	20	d	**	e	**	e	-		**	e

Source: CMHC Rental Market Survey (2016)

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

a - Excellent, b - Very good, c - Good, d - Fair (Use with Caution)

** Poor, suppressed - No units exist in the universe for this category

Table 5 - Foreign ownership share of purpose-built rental apartment units, by centre		
Vancouver	3.2%	b
Toronto	4.4%	b
Calgary	**	e
Edmonton	3.4%	b
Ottawa	**	e
Victoria	**	e
Barrie	**	e
Kingston	**	e
Oshawa	**	e
Regina	**	e
Saskatoon	**	e
Guelph	**	e
Winnipeg	**	e
Kelowna	**	e
Halifax	**	e
Kitchener-Cambridge-Waterloo	**	e
Hamilton	**	e
London	**	e
All-CMA Total	2.4%	a
Greater Sudbury	-	
Peterborough	-	
St. Catharines-Niagara	**	e
St. John's	-	
Thunder Bay	-	
Abbotsford-Mission	**	e
Brantford	**	e
Charlottetown	**	e
Windsor	**	e
Québec	**	e
Moncton	**	e
Montréal	2.0%	a
Gatineau	**	e
Saint John	**	e
Sherbrooke	3.8%	b
Saguenay	**	e
Trois-Rivières	-	

Source: CMHC Rental Market Survey (2016)

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

a - Excellent, b - Very good, c - Good, d - Fair (Use with Caution)
 ** Poor, suppressed - No units exist in the universe for this category

ENDNOTES

- ¹ See Roger D. Lewis, "A Profile of Purpose-Built Rental Housing in Canada," CMHC Research Report (April 2016) for detailed information on the non-ownership characteristics of the Purpose-Built rental sector of the housing market, available at https://www.cmhc-schl.gc.ca/en/hoficlincl/observer/observer_065.cfm.
- ² The rental market in Canada consists of both the purpose-built sector and the secondary rental market. The secondary rental market refers to dwellings that were initially developed to supply the owner-occupant sector but whose owners rent them out, such as rented condominiums and single-detached houses. This report only covers the purpose-built rental apartment sector and is limited to privately initiated structures, with rental housing owned by the government also excluded.
- ³ Centres are based on Statistics Canada's Census Metropolitan Areas (CMAs), with the exception of the Ottawa-Gatineau CMA, which is treated as two centres for the purposes of this report, and Charlottetown, which is a Census Agglomeration (CA). The survey covers privately-initiated apartment structures with at least three rental units which had been on the market for at least three months at the time of the survey.
- ⁴ Most of the specific data points for REIFs are suppressed in this report because of statistical and confidentiality concerns that reflects the limited number of rental units they own.
- ⁵ Table I in the table section at the end of the report shows the overall average rent level for all major centres in 2016, as well as the national average, in descending order. Markets with average rent levels below the national average are referred to as less-expensive markets in this report, while markets above the national average are referred to as more-expensive markets. For ease of comparison to Table I, all other tables show centres in the same order.
- ⁶ Driven by the unusually large proportion of retirees in St. John's, there is strong demand for the larger types of rental accommodation that are available on the secondary market, such as single- and semi-detached homes. This absorbs part of the potential demand for purpose-built rental apartment units in St. John's, which helps explain its relatively small purpose-built rental market.
- ⁷ While it is true that there is a large gap in Toronto between the rents associated with Individual Investors and Pension Funds, it is important to recall the low market share represented by Pension Funds. As a result, this gap is less relevant for most renters in Toronto than the gap between rents associated with Individual Investors and Private Corporations.

METHODOLOGY FOR RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts the **Rental Market Survey (RMS)** every year in 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 levels, availability, turnover and vacancy 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 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, availability, and turnover 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 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 percent change in rent is available in all Canada and Provincial Highlights publications, and also in the CMA reports. The rent levels in new and existing structures are also published. While the percent 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.

RENTAL MARKET SURVEY (RMS) DATA RELIABILITY

CMHC does not publish an estimate (e.g. Vacancy Rates and Average Rents) if the reliability of the estimate is too low or the confidentiality rules are violated. The ability to publish an estimate is generally determined by its statistical reliability, which is measured using the coefficient of variation (CV). CV of an estimate is defined as the ratio of the standard deviation to the estimate and CV is generally expressed a percentage. For example, let the average rent for one bedroom apartments in a given CMA be \bar{x} and its standard deviation be $\sigma_{\bar{x}}$. Then the Coefficient of Variation is given by $CV = \frac{\sigma_{\bar{x}}}{\bar{x}}$.

Please click [Methodology](#) or [Data Reliability Tables Appendix](#) link for more details.

Reliability Codes for Proportions

CMHC uses CV, sampling fraction and universe size to determine the ability to publish proportions such as vacancy rates, availability rates and turnover rates. The following letter codes are used to indicate the level of reliability of proportions:

a – Excellent

b – Very good

c – Good

d – Fair (Use with Caution)

** – Poor – Suppressed

++ – Change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0).

- – No units exist in the universe for this category

n/a – Not applicable

RENTAL MARKET SURVEY (RMS) DATA RELIABILITY (CONTINUED)

The following two tables indicate the level of reliability of proportions:

If the proportion is Zero (0) and sampling fraction is less than 100% then the following levels are assigned:

Sampling Fraction (%) range					
Structures in Universe	(0,20]*	(20,40]	(40,60]	(60,80]	(80,100]
3 – 10	Poor	Poor	Poor	Poor	Poor
11 – 20	Poor	Fair	Fair	Fair	Good
21 – 40	Poor	Fair	Fair	Good	Very Good
41 – 80	Poor	Fair	Good	Good	Very Good
81+	Poor	Good	Good	Very Good	Very Good

*(0, 20] means sampling fraction is greater than 0% but less than or equal to 20%; others are similar.

Otherwise, the following table is used to determine the reliability level of proportions:

Coefficient of Variation (CV) %							
Vacancy Rate	0	(0,5]	(5,10]	(10,16.5]	(16.5,33.3]	(33.3,50]	50+
(0,0.75]	Excellent	Excellent	Excellent	Excellent	Excellent	V. Good	V. Good
(0.75,1.5]	Excellent	Excellent	Excellent	Excellent	Excellent	Fair	Poor
(1.5,3]	Excellent	Excellent	Excellent	V. Good	Good	Poor	Poor
(3,6]	Excellent	Excellent	V. Good	Good	Fair	Poor	Poor
(6,10]	Excellent	Excellent	V. Good	Good	Poor	Poor	Poor
(10,15]	Excellent	Excellent	Good	Fair	Poor	Poor	Poor
(15,30]	Excellent	Excellent	Fair	Poor	Poor	Poor	Poor
(30,100]	Excellent	Excellent	Poor	Poor	Poor	Poor	Poor

Reliability Codes for Averages and Totals

CMHC uses the CV to determine the reliability level of the estimates of average rents and a CV cut-off of 10% for publication of totals and averages. It is felt that this level of reliability best balances the need for high quality data and not publishing unreliable data. CMHC assigns a level of reliability as follows (CV's are given in percentages):

- a – If the CV is greater than 0 and less than or equal to 2.5 then the level of reliability is Excellent.
- b – If the CV is greater than 2.5 and less than or equal to 5 then the level of reliability is Very Good.
- c – If the CV is greater than 5 and less than or equal to 7.5 then the level of reliability is Good.
- d – If the CV is greater than 7.5 and less than or equal to 10 then the level of reliability is Fair.
- ** – If the CV is greater than 10 then the level of reliability is Poor. (Do Not Publish)

Arrows indicate Statistically Significant Changes

Use caution when comparing statistics from one year to the next. Even if there is a year over year change, it is not necessarily a statistically significant change. When applicable, tables in this report 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.
- indicates that the effective sample does not allow one to interpret any year-over-year change as being statistically significant.
- Δ indicates that the change is statistically significant

DEFINITIONS

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 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.

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