RENTAL MARKET REPORT
Regina CMA

CANADA MORTGAGE AND HOUSING CORPORATION

Date Released: 2020

The overall vacancy rate*...

UNCHANGED at

7.8%

- ☐ Below CMA
- ☐ Similar to CMA
- ☐ Above CMA

The average rent is*...

$1,035
DOWN by 0.5%

- ○ Below CMA
- ○ Similar to CMA
- ○ Above CMA

Outlying Areas **

Northwest

Northeast

West

Central

East

South: Lakeview/ Albert Park

South: Wascana University
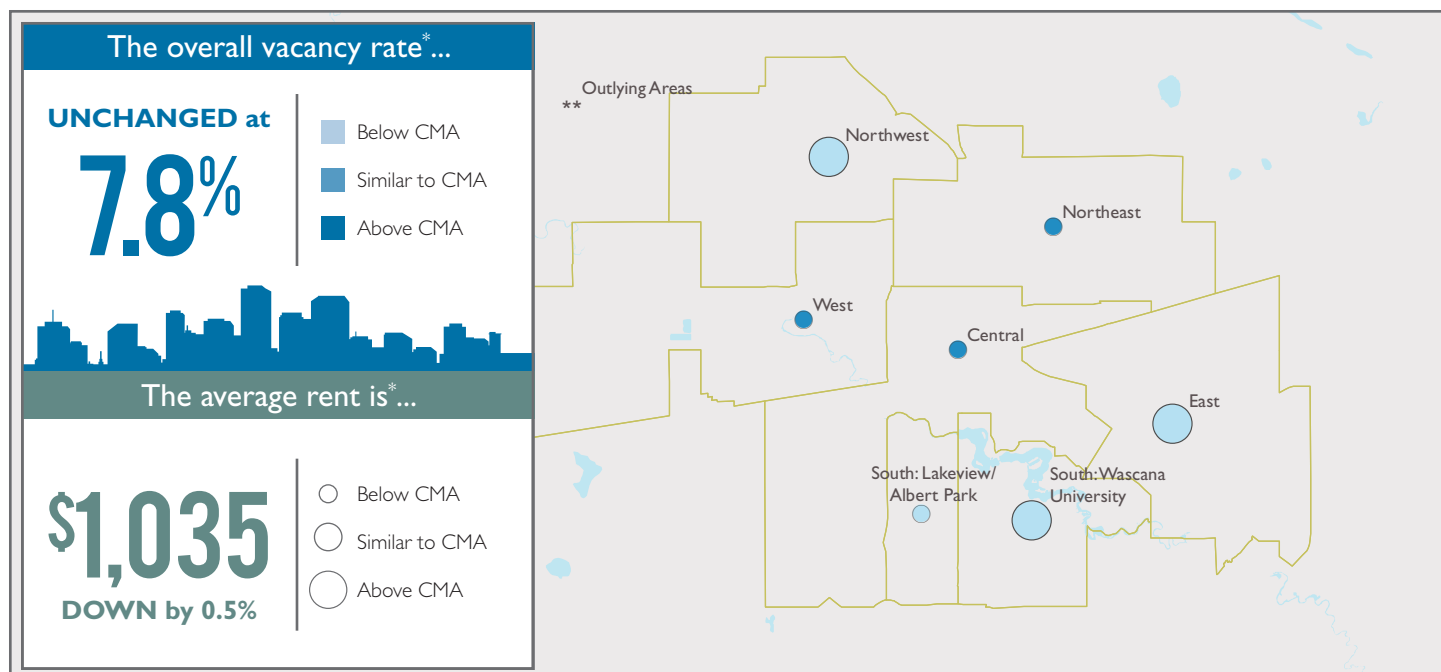
PRIMARY RENTAL MARKET *(by bedroom type)*

Bachelor	One bedroom	Two bedroom	Three or more bedrooms
11.8% Vacancy Rate	**9.7%** Vacancy Rate	**6.3%** Vacancy Rate	**5.7%** Vacancy Rate
$701 **Avg. Rent**	$928 **Avg. Rent**	$1,128 **Avg. Rent**	$1,269 **Avg. Rent**

> "Despite a strong increase in supply, growth in occupancy kept the vacancy rate in the Regina CMA relatively unchanged in the October 2019 survey"

Taylor Pardy
Senior Analyst, Economics

*CMHC collects data on the primary and secondary rental market annually, in the fall. These data refer to the primary rental market, which only includes rental units in privately-initiated apartment structures containing at least three rental units. The secondary rental market covers rental dwellings that were not originally purpose-built for the rental market, including rental condominiums. The primary vacancy rate and rent level is based on all surveyed structures, while the rent increase is based only on structures common to the survey sample in both the current and previous year.

Canada

CMHC ♦ SCHL

Highlights

- The apartment vacancy rate in the Regina CMA was 7.8% in October 2019, statistically unchanged from 7.7% in October 2018.

- The average two-bedroom rent was $1,128 in October 2019, relative to $1,130 one year earlier.

- Demand outpaced new additions to supply in the rental condominium apartment segment in October 2019, driving the vacancy rate down to 5.7% from 9.6% in the previous year.

Growth in occupancy keeps pace with growth in new rental supply

— Change in Occupancy (Units)   — Change in Universe (Units)
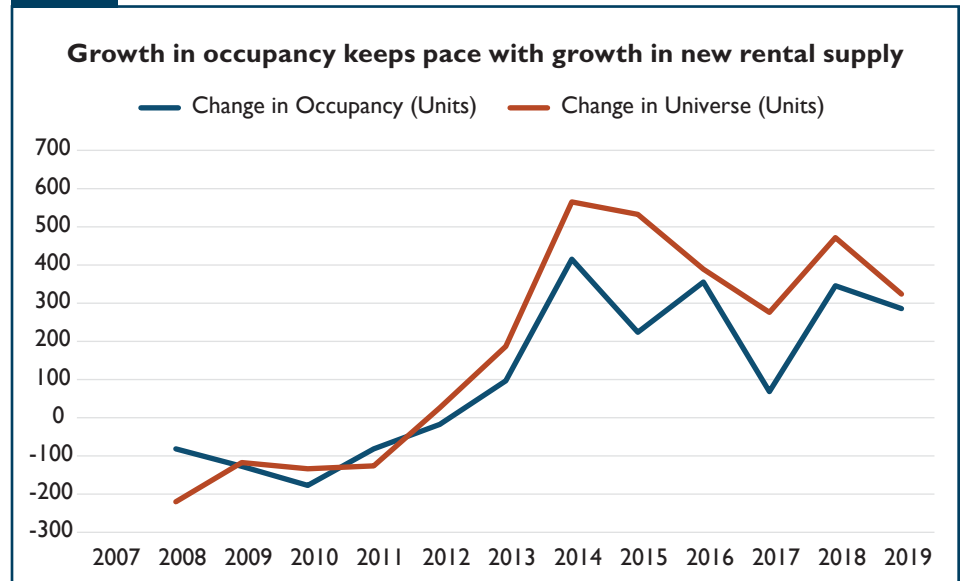
Source: CMHC Rental Market Survey

Vacancy rate remains unchanged despite continued expansion in the rental universe

According to the results of the CMHC's Rental Market Survey, the apartment vacancy rate[1] in the Regina Census Metropolitan Area (CMA) was 7.8% in October 2019, statistically unchanged from 7.7% in October 2018. Despite growth in the rental universe of 324 units over the past year, higher demand for apartment rentals kept the overall occupancy rate relatively unchanged, leaving the vacancy rate in the Regina CMA stable.

Labour market conditions remain supportive of rental demand

A strengthening labour market throughout most of 2019 has supported rental demand in the Regina CMA. In the first 10 months of 2019, approximately 3,600 jobs were created relative to the same period in 2018, representing an overall increase in employment of 2.6%. However, a large number of full-time jobs have transitioned to part-time since July resulting in a decline in year-over-year full-time employment. Nevertheless, employment levels among the population aged 15 to 24 have remained stable and supportive of rental demand as this cohort has a greater tendency to rent. According to Statistics Canada's 2016 Census, households where the primary maintainer was between 15 and 24 years of age had the highest proportion of renter households at approximately 80%[2].

In addition to some improvement in labour market conditions, population growth and higher enrolment at both the University of Regina and Saskatchewan Polytech Regina campus have also been supportive of rental demand in 2019. Key sources of population growth, and subsequently rental demand, include continued strong international migration into the area as well as positive in-migration of people from other areas of Saskatchewan.[3]

Same-sample rents show another year of modest declines

The same-sample two-bedroom apartment rent[4] declined by 0.2% in October 2019 from the previous year. This follows a decline of 0.5% in the October 2018 survey. Given the expansion of new rental supply, particularly in the past two years, an elevated vacancy rate in the Regina CMA has meant that potential renters

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[1] CMHC collects data on the primary and secondary rental market annually, in the fall. These data refer to the primary rental market, which only includes rental units in privately initiated apartment structures containing at least three rental units. The secondary rental market covers rental dwellings that were not originally purpose-built for the rental market, including rental condominiums. The primary vacancy rate and rent level is based on all surveyed structures, while the rent increase is based only on structures common to the survey sample in both the current and previous year.

[2] 2016 Census, Statistics Canada.

[3] Statistics Canada – Components of population change by census metropolitan area.

[4] When comparing year-over-year average rents, the age of the building needs to be taken into consideration because rents in newly-built structures tend to be higher than in existing buildings. By comparing rents for units that are common to both 2018 and 2019 October Rental Market Surveys, we can get a better indication of actual rent increases paid by most tenants.

have had more choices available to them. Meanwhile, landlords have had to offer competitive rental rates to attract and keep tenants. The result has been 2 years of modest declines in rental rates, with areas of the city with the highest vacancy rates seeing the largest declines in rental rates.

Taking into account both new and existing structures, the average two-bedroom apartment rent was $1,128 in October 2019, compared to $1,130 in October 2018. The Northwest area of the city continued to post the highest average rents due to the fact that rental universe has nearly tripled in size since 2010 and therefore has a larger proportion of new rental units commanding higher rents relative to other areas.

Continued strong growth in the secondary rental market

The secondary rental market, specifically investor owned condominium apartments, provide an additional source of rental supply and an alternative choice for renters. As of October 2019, there were 2,261 condominium apartment units in the secondary rental market, an increase of 361 units relative to the October 2018 survey. As a share of the overall rental universe, condominium apartment units comprised approximately 13.7% of the universe as of October 2019, relative to 12.2% in October 2018.[5]

Interestingly, the secondary rental market has seen both supply and demand growing at a strong pace in the past two years in particular. Strong expansion in both the primary and secondary rental markets have been met with strong demand. While expansion in new supply
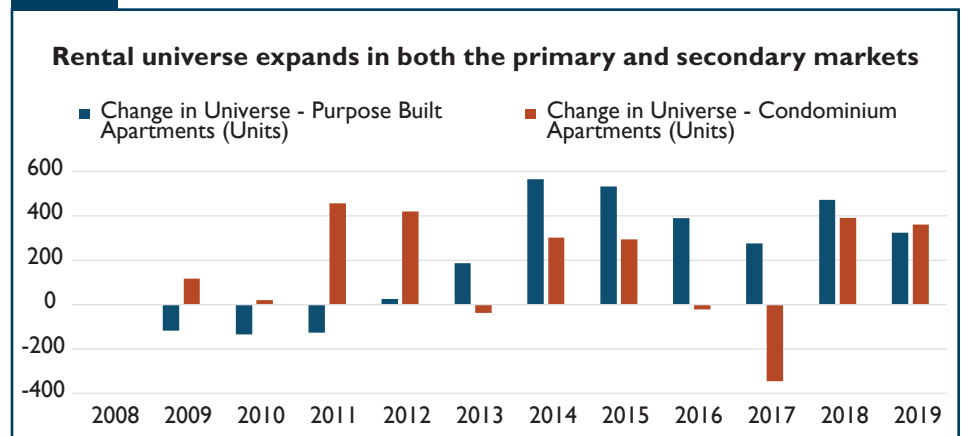
Figure 2

Two-bedroom apartment rental rates decline

Percentage change of average two-bedroom rent
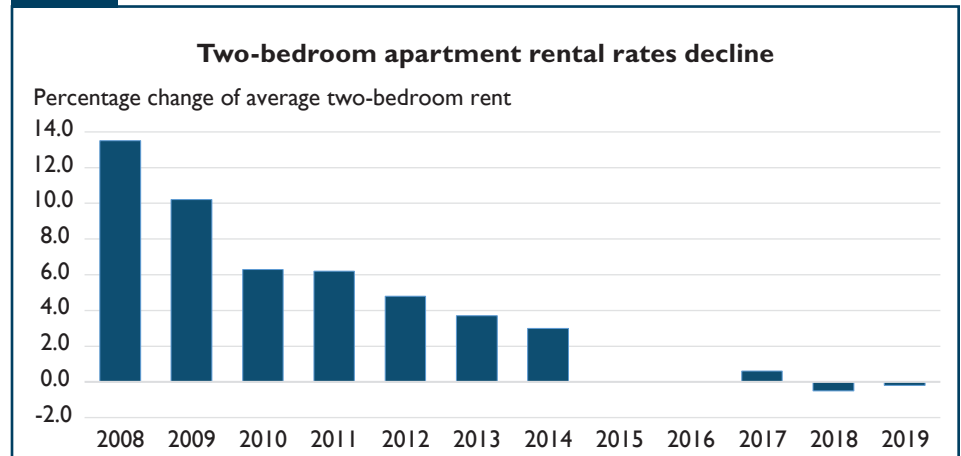
Source: CMHC Rental Market Survey
Note: The percentage change of average two-bedroom rent is based on structures that were common to the survey sample in both October 2018 and October 2019.

Figure 3

Rental universe expands in both the primary and secondary markets

■ Change in Universe - Purpose Built Apartments (Units) ■ Change in Universe - Condominium Apartments (Units)

Source: CMHC Rental Market Survey

left vacancy rates unchanged in the primary market, the condominium apartment vacancy rate declined to 5.7% as of October 2019, relative to 9.6% in October 2018. The number of occupied units increased by 414 in October 2019, outpacing the increase in the rental condominium universe of just 361 units.
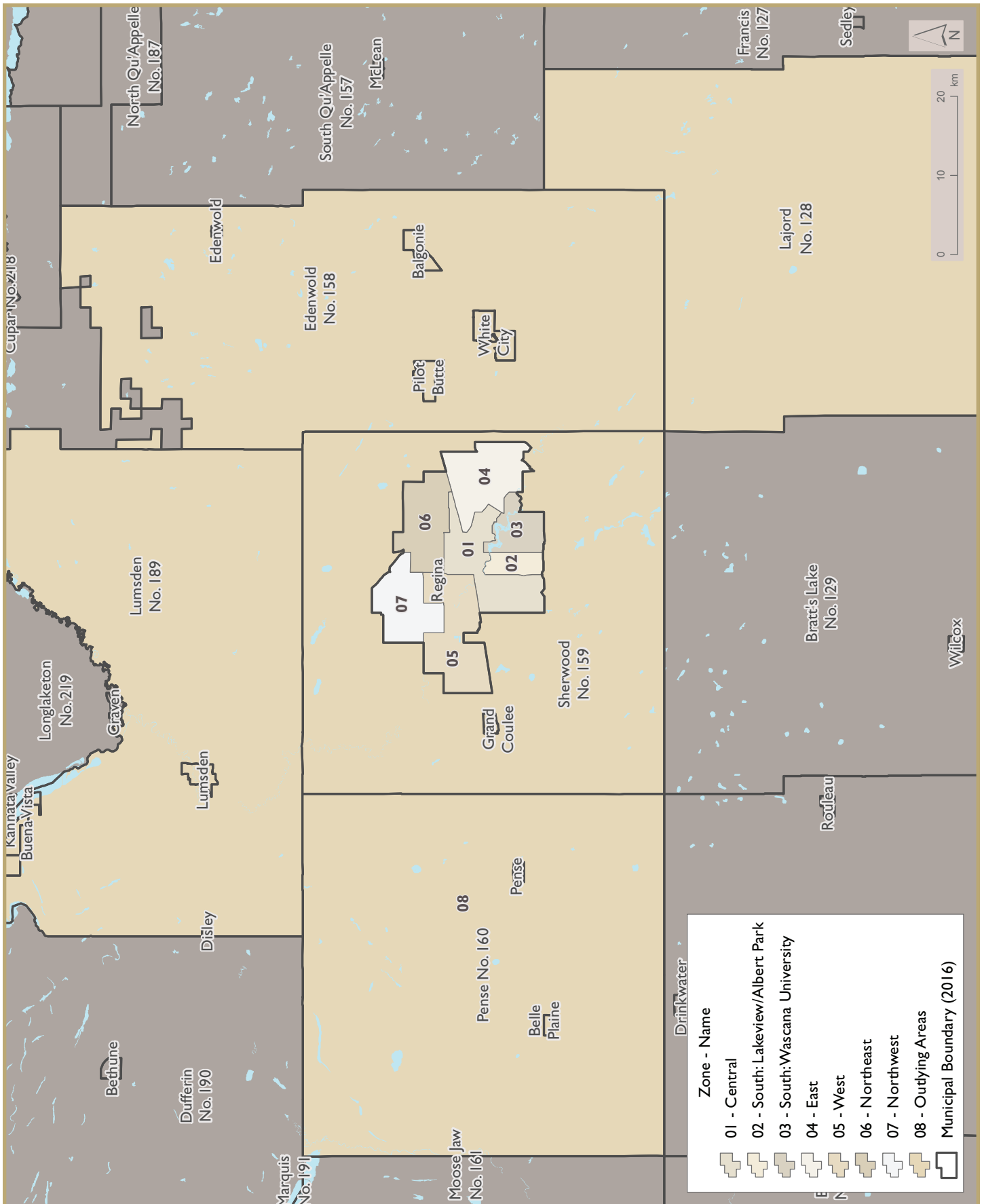
The average rent for a two-bedroom condominium apartment was $1,411 as of October 2019, relative to $1,397 in October 2018. Estimates for average two-bedroom rents for condominium

apartments came in $283 higher than two-bedroom rents experienced in the purpose-built rental market. Rents for condominium apartments tend to be higher due to these units generally being newer than those in the purpose-built rental universe. Additionally, condominium apartment units can offer additional amenities that are often not available in the purpose-built market, which can also explain some of the difference.

[5] In this case, the overall rental universe refers to the sum of the purpose-built rental universe as well as the number of apartment condominiums in the secondary rental market. This overall rental universe comparison does not include other types of rental units such as secondary suites, laneway homes, etc.

N

km
20
10
0

Cupar No. 218

North Qu'Appelle No. 187

South Qu'Appelle No. 157

McLean

Francis No. 127

Sedley

Edenwold

Edenwold No. 158

Balgonie

White City

Pilot Butte

Lajord No. 128

Lumsden No. 189

Longlaketon No. 219

Craven

Kannata Valley

Buena Vista

Lumsden

Disley

Bethune

Dufferin No. 190

Marquis No. 191

Moose Jaw No. 161

Pense No. 160

Belle Plaine

Pense

Drinkwater

Grand Coulee

Sherwood No. 159

Regina

Bratt's Lake No. 129

Wilcox

Rouleau

04

06

03

01

02

07

05

08

Zone - Name

01 - Central
02 - South: Lakeview/Albert Park
03 - South: Wascana University
04 - East
05 - West
06 - Northeast
07 - Northwest
08 - Outlying Areas

Municipal Boundary (2016)

RMS ZONE DESCRIPTIONS - REGINA CMA	
Zone 1	**Central** - North: Ross Ave E, McKinley Ave; East: Hwy 1, Park St; West: Courtney St; South: Hwy 1.
Zone 2	**South: Lakeview/Albert Park** - North: Wascana Creek; East: Albert St; West: Lewvan Dr; South: Hwy 1.
Zone 3	**South: Wascana-University** - North: College Ave, 19th Ave; East: Fleet St; West: Albert St; South: 5th Base Line.
Zone 4	**East** -North: Cormorant Dr; East: Prince of Wales Dr; West: Winnipeg St, Park St, Hwy 1; South: Wascana Lake.
Zone 5	**West** - North: 9th Ave N; East: Pasqua St, Lewvan Dr; West: Pinkie Rd; South: Surveyed Rd.
Zone 6	**Northeast** - North: South of Inland Dr; East: Prince of Wales Dr; West: Pasqua St; South: Ross Ave E.
Zone 7	**Northwest** - North: Armour Rd; East: Albert St N; West: Pinkie Rd; South: between Read Ave and Fulton Dr., 9th Ave. N.
Zones 1-7	**Regina City**
Zone 8	**Outlying Areas**
Zones 1-8	**Regina CMA**

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 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 rental structures with at least three rental units, which have been on the market for at least three months. The survey collects market rent levels, 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 month 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 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.

METHODOLOGY FOR CONDOMINIUM APARTMENT SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts the Condominium Apartment Survey (CAS) in September to estimate the relative strengths in the condo apartment rental market The CAS collects the number of units being rented out and the vacancy and rent levels of these units in the following CMAs: Calgary, Edmonton, Gatineau, Halifax, Hamilton, Kelowna, Kitchener, London, Montréal, Ottawa, Québec, Regina, Saskatoon, Toronto, Vancouver, Victoria and Winnipeg. The CAS is a census of all apartment condos with 3 units and over, with the exception of Montréal, where a sample of structures is surveyed. The CAS is conducted by telephone interviews and information is obtained from the property management company, condominium (strata) board, or building superintendent. If necessary, this data can be supplemented by site visits if no telephone contact is made.

RENTAL MARKET SURVEY (RMS) AND CONDOMINIUM APARTMENT SURVEY (CAS) 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 $CV = \frac{\sigma_{\bar{x}}}{\bar{x}}$.

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

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.

△ **indicates that the change is statistically significant**

DEFINITIONS

Availability: A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy below).

Rent: The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit.

It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent.

Rental Apartment Structure: Any building containing three or more rental units, of which at least one unit is not ground oriented. Owner-occupied units are not included in the rental building unit count.

Rental Row (Townhouse) Structure: Any building containing three or more rental units, all of which are ground oriented with vertical divisions. Owner-occupied units are not included in the rental building unit count. These row units in some centres are commonly referred to as townhouses.

Vacancy: A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Turnover: A unit is counted as being turned over if it was occupied by a new tenant moved in during the past 12 months. A unit can be counted as being turned over more than once in a 12 month period.

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 50,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

October 2017 and October 2018 data is based on Statistics Canada's 2016 Census area definitions.

Acknowledgement

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