



PRESS RELEASE



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Average Rental Vacancy Rate Rose to 2.7 Per Cent

OTTAWA, Ontario, December 21, 2004 — The average rental apartment vacancy rate in Canada's 28 major centres¹ rose to 2.7 per cent in October 2004 from 2.2 per cent a year ago, according to the **Rental Market Survey** released today by Canada Mortgage and Housing Corporation (CMHC). This is the third consecutive annual increase in the vacancy rate, but it remains below the 3.3 per cent average vacancy rate that occurred over the 1992 to 2003 period.

"The rising vacancy rate over the past year is due to various factors," said Bob Dugan, Chief Economist at CMHC's Market Analysis Centre. "Low mortgage rates have kept mortgage carrying costs low and lessened demand for rental housing by bringing home ownership within the reach of many renter households. Vacancy rates have also risen because of modest rental apartment completions, which have added new rental supply in some centres."

"Despite the higher vacancy rates in many centres, there are many households that pay more than 30 per cent of their income for rent. These households either need to move to less expensive units or require some help in order to make their monthly shelter costs more affordable. In some cases, however, there are not enough vacant units to meet the needs of all households in core housing need; for example households living in crowded conditions. Therefore, additional affordable housing units continue to be required," said Bob Dugan.

Vacancy rates were higher than one year ago in 21 of Canada's 28 major centres, but fell in seven. Windsor (8.8 per cent), Saskatoon, Saint John (NB), Edmonton, Saguenay, and Thunder Bay had the highest vacancy rates, while Victoria (0.6 per cent), Sherbrooke, Québec, Winnipeg, Trois-Rivières, and Vancouver were among the cities with the lowest vacancy rates.

In Ontario, vacancy rates were higher in nine of 11 major centres. Rates increased by at least one percentage point in Windsor (4.5 percentage points to 8.8 per cent), Thunder Bay, London and Ottawa. The vacancy rate in Toronto increased by half a percentage point to 4.3 per cent.

In Quebec, five of six major centres had higher vacancy rates than in 2003. The greatest increase occurred in Gatineau (from 1.2 per cent to 2.1 per cent), while the vacancy rate in Québec more than doubled from 0.5 per cent to 1.1 per cent. The vacancy rate in Montréal recorded a half percentage point increase to 1.5 per cent. The vacancy rate in Trois-Rivières declined 0.3 percentage point to 1.2 per cent.

Vacancy rates went up in three of five metropolitan areas in the Prairies. The largest increases were in Edmonton where the vacancy rate rose by 1.9 percentage points to 5.3 per cent and in Saskatoon where the vacancy rate increased by 1.8 percentage points to 6.3 per cent. There were marginal declines in Winnipeg and Calgary with vacancy rates of 1.1 and 4.3 per cent respectively.

British Columbia is home to the tightest metropolitan rental market in Canada as the Victoria vacancy rate fell by 0.5 percentage point to 0.6 per cent. In Vancouver, the vacancy rate declined by 0.7 percentage point to 1.3 per cent, while the Abbotsford vacancy rate increased slightly to 2.8 per cent.

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All three metropolitan centres in Atlantic Canada recorded vacancy rate hikes with the rate in St. John's (NFLD) rising by 1.1 percentage points to 3.1 per cent.

Average rents for two-bedroom apartments increased in all major centres, except Windsor where rents were unchanged. The greatest increase occurred in both Sherbrooke and Québec where rents were up 5.1 per cent, and in Trois-Rivières where rents were up 4.8 per cent. Average rents in Trois-Rivières, Halifax, Gatineau, Montréal, Saint John (NB), and London were all up by three per cent or more.

The highest average monthly rents for two-bedroom apartments were in Toronto (\$1,052), Vancouver (\$984), and Ottawa (\$940). The lowest average rents were in Trois-Rivières (\$457) and Saguenay (\$459).

A new measure called the *availability rate* has been introduced on a pilot basis this year in all 28 major centres across Canada. A rental unit is considered available if the unit is vacant (physically unoccupied and available for immediate rental), or if the existing tenant has given or received notice to move and a new tenant has not signed a lease. CMHC's Rental Market Survey found that the average rental apartment availability rate in Canada's 28 metropolitan areas was 3.9 per cent in October 2004.

CMHC's Rental Market Survey is conducted yearly in October, to provide vacancy rate and rent information on privately initiated apartment structures containing at least three rental units.

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¹ Major centres are based on Statistics Canada Census Metropolitan Areas (CMAs) with the exception of the Ottawa-Gatineau CMA which is treated as two centres for Rental Market Survey purposes.

The multimedia version of this release is available at: www.newswire.ca/en/releases/mmnr/CMHC20041221/

Note: Tables of vacancy rates and rents follow.

For local rental market information, please contact your local CMHC branch.

VACANCY RATES IN PRIVATELY INITIATED APARTMENT STRUCTURES OF THREE UNITS AND OVER IN METROPOLITAN AREAS

	October 2000	October 2001	October 2002	October 2003	October 2004
Atlantic Region					
St. John's	3.8	2.5	2.7	2.0	3.1
Halifax	3.6	2.8	2.7	2.3	2.9
Saint John	3.4	5.6	6.3	5.2	5.8
Quebec Region					
Gatineau	1.4	0.6	0.5	1.2	2.1
Montréal	1.5	0.6	0.7	1.0	1.5
Québec	1.6	0.8	0.3	0.5	1.1
Saguenay	4.4	4.4	4.9	5.2	5.3

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Sherbrooke	4.7	2.3	1.8	0.7	0.9
Trois-Rivières	6.8	4.7	3.0	1.5	1.2
Ontario Region					
Hamilton	1.7	1.3	1.6	3.0	3.4
Kingston*	1.8	1.5	0.9	1.9	2.4
Kitchener	0.7	0.9	2.3	3.2	3.5
London	2.2	1.6	2.0	2.1	3.7
Oshawa	1.7	1.3	2.3	2.9	3.4
Ottawa	0.2	0.8	1.9	2.9	3.9
St.Catharines-Niagara	2.6	1.9	2.4	2.7	2.6
Greater Sudbury	7.7	5.7	5.1	3.6	2.6
Thunder Bay	5.8	5.8	4.7	3.3	5.0
Toronto	0.6	0.9	2.5	3.8	4.3
Windsor	1.9	2.9	3.9	4.3	8.8
Prairie Region					
Calgary	1.3	1.2	2.9	4.4	4.3
Edmonton	1.4	0.9	1.7	3.4	5.3
Regina	1.4	2.1	1.9	2.1	2.7
Saskatoon	1.7	2.9	3.7	4.5	6.3
Winnipeg	2.0	1.4	1.2	1.3	1.1
British Columbia Region					
Abbotsford*	3.7	2.4	2.0	2.5	2.8
Vancouver	1.4	1.0	1.4	2.0	1.3
Victoria	1.8	0.5	1.5	1.1	0.6
Total (1)	1.6	1.1	1.7	2.2	2.7

(1) Weighted average of metropolitan areas surveyed does not include the newly created Abbotsford and Kingston CMAs prior to 2002.

* Data prior to 2002 is based on the census agglomeration definition; 2002, 2003 and 2004 data is based on the census metropolitan area definition.

AVERAGE RENTS IN PRIVATELY INITIATED APARTMENT STRUCTURES OF THREE UNITS AND OVER IN METROPOLITAN AREAS

	One-Bedroom		Two-Bedroom	
	Oct. 2003	Oct. 2004	Oct. 2003	Oct. 2004
Atlantic Region	\$	\$	\$	\$
St.John's	520	521	607	618
Halifax	596	612	720	747
Saint John	423	432	504	520
Quebec Region				
Gatineau	548	556	639	663
Montréal	528	536	575	594
Québec	506	516	567	596
Saguenay	374	375	457	459
Sherbrooke	385	390	471	495
Trois-Rivières	382	369	436	457

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Ontario Region				
Hamilton	633	641	778	789
Kingston	627	646	768	785
Kitchener	646	651	754	765
London	586	603	736	758
Oshawa	752	750	845	852
Ottawa	768	772	932	940
St.Catharines-Niagara	600	611	704	722
Greater Sudbury	524	529	651	655
Thunder Bay	552	550	672	679
Toronto	884	887	1,040	1,052
Windsor	650	648	776	776
Prairie Region				
Calgary	661	655	804	806
Edmonton	588	597	722	730
Regina	490	503	589	602
Saskatoon	469	472	576	580
Winnipeg	508	516	645	664
British Columbia Region				
Abbotsford	537	546	672	684
Vancouver	759	774	965	984
Victoria	619	630	789	799

VACANCY AND AVAILABILITY RATES IN PRIVATELY INITIATED APARTMENT STRUCTURES OF THREE UNITS AND OVER IN METROPOLITAN AREAS

	Vacancy Rate	Availability Rate
	October 2004	October 2004
Atlantic Region		
St.John's	3.1	4.5
Halifax	2.9	3.9
Saint John	5.8	7.3
Quebec Region		
Gatineau	2.1	2.6
Montréal	1.5	1.9
Québec	1.1	1.5
Saguenay	5.3	NA
Sherbrooke	0.9	1.5
Trois-Rivières	1.2	1.6
Ontario Region		
Hamilton	3.4	5.4
Kingston	2.4	4.3
Kitchener	3.5	6.3
London	3.7	5.9
Oshawa	3.4	4.4
Ottawa	3.9	6.7

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St.Catharines-Niagara	2.6	4.4
Greater Sudbury	2.6	4.4
Thunder Bay	5.0	7.9
Toronto	4.3	6.2
Windsor	8.8	10.4
Prairie Region		
Calgary	4.3	6.2
Edmonton	5.3	6.9
Regina	2.7	4.4
Saskatoon	6.3	8.5
Winnipeg	1.1	1.8
British Columbia Region		
Abbotsford		
Vancouver	1.3	2.3
Victoria	0.6	1.9
Total (1)	2.7	3.9

(1) Weighted average of metropolitan areas surveyed