



PRESS RELEASE



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National Rental Vacancy Rate Decreases in 2008

OTTAWA, Ontario, December 11, 2008 — The average rental apartment vacancy rate in Canada's 34 major centres¹ decreased to 2.2 per cent in October 2008 from 2.6 per cent in October 2007, according to the Rental Market Survey released today by Canada Mortgage and Housing Corporation (CMHC).

"Demand for rental housing in Canada increased due to high migration levels, youth employment growth, and the large gap between the cost of homeownership and renting," said Bob Dugan, Chief Economist at CMHC's Market Analysis Centre. "Rental construction and competition from the condominium market were not enough to offset growing rental demand."

Between October 2007 and September 2008, 14,908 rental units and 50,794 condominium units were completed in Canada's 34 major centres. Condominiums are a relatively inexpensive type of housing for renters moving to home ownership. Also, some condominium apartments are owned by investors who rent them out.

In October 2008, provincial vacancy rates decreased in most eastern provinces. Vacancy rates recorded a significant decline from last year in Newfoundland and Labrador (down one percentage point to 1.1 per cent), Prince Edward Island (down 1.5 percentage points to 2.6 per cent), and New Brunswick (down 1.7 percentage points to 3.6 per cent). In Nova Scotia, the rental vacancy rate increased to 3.5 per cent. Vacancy rates were moderately lower in Ontario by 0.6 percentage point to 2.7 per cent, and Quebec by 0.4 percentage point to 2.2 per cent.

Vacancy rates were lowest in Manitoba (0.9 per cent), British Columbia (1.0 per cent), Newfoundland and Labrador (1.1 per cent), and Saskatchewan (1.2 per cent). The strong economies in the western provinces continued to attract workers from the rest of Canada. Many of these newly arrived migrants initially settle in rental housing, keeping rental demand strong. The rental apartment vacancy rate in Alberta rose to 2.5 per cent this year, despite low levels of rental construction and further decline of the rental stock through condominium conversions. CMHC attributes some of the upturn in vacancies to slower net migration into the province and the constraining effect of rent increases in 2007. Competition from the secondary rental market and investor-owned condominium apartments have also contributed to the higher vacancies in the purpose-built commercial rental sector.

The centres with the highest vacancy rates in 2008 were Windsor (14.6 per cent), St. Catharines-Niagara (4.3 per cent), and Oshawa (4.2 per cent). On the other hand, the major urban centres with the lowest vacancy rates were Kelowna (0.3 per cent), Victoria (0.5 per cent), Vancouver (0.5 per cent), and Regina (0.5 per cent).

The highest average monthly rents for two-bedroom apartments in new and existing structures were in Calgary (\$1,148), Vancouver (\$1,124), Toronto (\$1,095), and Edmonton (\$1,034), followed by Ottawa (\$995), Kelowna (\$967), and Victoria (\$965). The lowest average monthly rents for two-bedroom apartments in new and existing structures were in Trois-Rivières (\$505), Saguenay (\$518), and Sherbrooke (\$543).

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Year-over-year comparison of rents in new and existing structures can be slightly misleading because rents in newly-built structures tend to be higher than in existing buildings. However, by excluding new structures, we can get a better indication of actual rent increases paid by most tenants. The average rent for two-bedroom apartments in existing structures increased in all major centres. The largest rent increases in existing structures were recorded in Saskatoon (20.3 per cent), Regina (13.5 per cent), Edmonton (9.2 per cent), and Kelowna (8.4 per cent). Overall, the average rent for two-bedroom apartments in existing structures across Canada's 34 major centres increased by 2.9 per cent between October 2007 and October 2008.

CMHC's October 2008 Rental Market Survey also covers condominium apartments offered for rent in Calgary, Edmonton, Montréal, Ottawa, Québec, Regina, Saskatoon, Toronto, Vancouver, and Victoria. In 2008, vacancy rates for rental condominium apartments were below one per cent in four of the 10 centres surveyed. Rental condominium vacancy rates were the lowest in Regina, Toronto, Ottawa, and Vancouver. However, Calgary and Edmonton registered the highest vacancy rates for condominium apartments at 3.5 per cent and 4.3 per cent in 2008, respectively.

The survey showed that vacancy rates for rental condominium apartments in 2008 were lower than vacancy rates in the conventional rental market in Ottawa, Regina, Saskatoon, and Toronto. The highest average monthly rents for two-bedroom condominium apartments were in Toronto (\$1,625), Vancouver (\$1,507), and Calgary (\$1,293). All surveyed centres posted average monthly rents for two-bedroom condominium apartments that were higher than average monthly rents for two-bedroom private apartments in the conventional rental market in 2008.

CMHC's Rental Market Survey also gathers information on monthly rents in types of dwellings² other than private apartments and condominium apartments, such as duplexes, and accessory apartments for 15 major centres.

The Rental Market Report for major centres also includes an affordability indicator for most centres. The rental affordability indicator is used to examine trends in rental affordability within a centre.

As Canada's national housing agency, Canada Mortgage and Housing Corporation (CMHC) draws on more than 60 years of experience to help Canadians access a variety of quality, environmentally sustainable, and affordable homes – homes that will continue to create vibrant and healthy communities and cities across the country.

CMHC's Rental Market Survey is conducted twice a year, in April and in October, to provide vacancy rate and rent information on privately initiated apartment structures containing at least three rental units. However, due to possible seasonal factors, the April and October results are not compared.

¹Major 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 and Charlottetown, which is a Census Agglomeration (CA).

²CMHC's October Rental Market Survey, which covers private row and apartment structures with three or more units was expanded to include information on the secondary rental market (rented single-detached houses, rented double/semi-detached houses, rented freehold row/town houses, rented duplex apartments, rented accessory apartments and rented apartments which are part of a commercial or other type of structure containing one or two dwelling units) in the following 15 major centres: Vancouver, Toronto, Montréal, Calgary, Edmonton, Ottawa, Québec, Halifax, Abbotsford, St. John's, Kelowna, Barrie, Saskatoon, Regina and Victoria CMAs.

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To access CMHC's 2008 reports on the rental market select from the links below:

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1. Rental Market Reports — Major Centres now offer more coverage of the secondary rental market³ in selected centres
2. Rental Market Report — Provincial Highlights — providing a summary of rental market statistics for urban centres with a population of over 10,000 in each province and Yellowknife, Northwest Territories
3. Rental Market Report — Canada Highlights — containing at a glance rental market information for Canada's 34 major centres
4. Rental Market Statistics Report — a sourcebook of statistical tables with national, provincial and local rental housing market data

Note: Tables of vacancy rates, availability rates and rents are below.

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

³The secondary rental market includes the following types of units: rented single-detached houses, rented double (semi-detached) houses, rented freehold row/town houses, rented duplex apartments, rented accessory apartments and rented apartments which are part of a commercial or other type of structure containing one or two dwelling units.

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1.0 Rental Market Indicators Privately Initiated Apartment Structures of Three Units and Over Provinces and Major Centres								
Centres	Vacancy Rates (%)		Availability Rates (%)		Average Rent 2 Bedroom (\$) (New and existing structures)		Percentage Change of Average Rent Two Bedroom ⁽²⁾⁽³⁾ From Fixed Sample (Existing structures only)	
	Oct 07	Oct 08	Oct 07	Oct 08	Oct 07	Oct 08	Oct 06 to Oct 07	Oct 07 to Oct 08
Newfoundland & Labrador 10,000+	2.1 a	1.1 a	2.8 a	1.6 a	575 a	596 a	2.6 a	3.7 a
St. John's CMA	2.6 a	0.8 a	3.5 a	1.5 a	614 a	630 a	2.6 a	3.8 a
Prince Edward Island 10,000+	4.1 a	2.6 a	5.6 a	4.0 a	648 a	660 a	++	3.1 d
Charlottetown CA	4.3 a	2.3 a	6.0 a	4.0 a	659 a	672 a	++	3.3 d
Nova Scotia 10,000+	3.2 a	3.5 a	3.7 a	4.0 a	777 a	795 a	1.7 b	2.0 a
Halifax CMA	3.1 a	3.4 a	3.6 a	3.9 a	815 a	833 a	1.7 c	2.0 a
New Brunswick 10,000+	5.3 a	3.6 a	6.1 a	4.0 a	619 a	635 a	2.3 a	2.6 a
Moncton CMA	4.3 b	2.4 a	5.7 a	3.1 b	643 a	666 a	2.0 a	2.2 a
St. John CMA	5.2 a	3.1 a	6.1 a	3.5 a	570 a	618 a	3.5 c	4.8 b
Québec 10,000+	2.6 a	2.2 a	3.2 a	2.8 a	616 a	620 a	2.5 a	2.1 a
Ottawa-Gatineau CMA (Que. Part)	2.9 a	1.9 a	3.3 b	2.4 a	662 a	677 a	1.4 a	0.8 d
Montréal CMA	2.9 a	2.4 a	3.6 a	3.1 a	647 a	659 a	2.3 a	2.1 b
Québec CMA	1.2 a	0.6 a	1.7 a	1.2 a	641 a	653 a	2.7 a	2.0 b
Saguenay CMA	2.8 a	1.6 a	3.4 b	2.2 a	490 a	518 a	6.6 c	1.5 d
Sherbrooke CMA	2.4 a	2.8 a	2.6 a	2.9 a	529 a	543 a	3.4 b	2.0 b
Trois-Rivières CMA	1.5 a	1.7 a	2.1 a	2.1 a	487 a	505 a	4.4 b	3.0 b
Ontario 10,000+	3.3 a	2.7 a	5.1 a	4.3 a	924 a	940 a	1.6 a	1.9 a
Barrie CMA	3.2 b	3.5 a	4.1 b	6.0 a	934 a	954 a	1.3 d	4.7 d
Bramford CMA	2.9 b	2.4 a	4.6 b	2.8 a	749 a	752 a	2.0 c	2.7 b
Greater Sudbury CMA	0.6 a	0.7 a	1.3 a	1.6 a	749 a	800 a	7.7 b	5.6 b
Guelph CMA	1.9 a	2.3 a	3.4 a	4.5 a	848 a	869 a	1.6 a	1.6 a
Hamilton CMA	3.5 a	3.2 a	5.8 a	4.9 a	824 a	836 a	1.2 a	1.5 b
Kington CMA	3.2 b	1.3 a	4.6 b	2.6 a	856 a	880 a	2.0 c	3.1 b
Kitchener CMA	2.7 a	1.8 a	4.9 a	4.3 a	829 a	845 a	1.6 b	0.9 a
London CMA	3.6 a	3.9 a	5.3 a	6.4 a	816 a	834 a	2.3 a	1.2 a
St. Catharines-Niagara CMA	4.0 a	4.3 a	5.7 a	6.8 a	765 a	777 a	1.8 a	2.1 a
Oshawa CMA	3.7 a	4.2 a	5.5 a	5.7 a	877 a	889 a	1.4 a	1.2 a
Ottawa-Gatineau CMA (Ont. Part)	2.3 a	1.4 a	3.8 a	2.9 a	961 a	995 a	2.0 a	3.7 a
Peterborough CMA	2.8 a	2.4 a	4.7 a	4.3 b	822 a	850 a	2.2 b	2.0 b
Thunder Bay CMA	3.8 b	2.2 a	4.4 a	2.7 a	709 a	719 a	2.2 a	1.3 a
Toronto CMA	3.2 a	2.0 a	5.0 a	3.7 a	1061 a	1095 a	1.0 a	1.7 a
Windsor CMA	12.8 a	14.6 a	14.4 a	16.8 a	773 a	772 a	++	++
Manitoba 10,000+	1.5 a	0.9 a	1.8 a	1.4 a	721 a	748 a	3.9 a	3.5 a
Winnipeg CMA	1.5 a	1.0 a	1.8 a	1.4 a	740 a	769 a	4.0 a	3.5 a
Saskatchewan 10,000+	1.2 a	1.2 a	2.0 a	2.1 a	661 a	766 a	9.1 a	15.7 a
Regina CMA	1.7 a	0.5 a	2.5 a	1.2 a	661 a	796 a	6.2 a	13.5 a
Saskatoon CMA	0.6 a	1.9 a	1.8 a	3.2 a	693 a	841 a	13.5 a	20.3 a
Alberta 10,000+	1.6 a	2.5 a	2.6 a	3.8 a	1,011 a	1,077 a	17.2 a	7.1 a
Calgary CMA	1.5 a	2.1 a	2.9 a	3.9 a	1,089 a	1,148 a	15.3 a	4.4 b
Edmonton CMA	1.5 a	2.4 a	2.4 a	3.3 a	958 a	1,034 a	18.8 a	9.2 a
British Columbia 10,000+	1.0 a	1.0 a	1.7 a	1.7 a	922 a	969 a	5.5 a	5.3 a
Abbotsford CMA	2.1 a	2.6 a	3.4 a	3.4 a	752 a	765 a	4.8 c	4.1 c
Kelowna CMA	0.0 b	0.3 a	0.4 a	1.4 a	846 a	967 a	7.0 a	8.4 a
Vancouver CMA	0.7 a	0.5 a	1.4 a	1.1 a	1,084 a	1,124 a	5.5 a	4.6 a
Victoria CMA	0.5 a	0.5 a	1.2 a	1.5 a	907 a	965 a	4.5 a	6.8 a
Canada CMAs (1)	2.6	2.2	3.7	3.2	795	828	3.5	2.9
Canada 10,000+	2.6	2.3	3.7	3.3	772	804	3.6	3.0

¹ Major centres refer to Census Metropolitan Areas (CMA), except for Charlottetown.

² The Estimate of Percentage Change is a measure of the market movement, and is based on those structures that were common to the survey sample for both years.

³ For October 2007, calculated using October 2006 and October 2007 data, and for October 2008, calculated using October 2007 and October 2008 data.

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 is 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 universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

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4.1 Rental Condominium Apartments and Private Apartments in the RMS ¹ Vacancy Rates (%), Average Rents (\$) and Percentage of Condominium Apartments in Rental Oct-08					
Centres	Vacancy Rates (%)		Average Rent (\$)		Percentage of Condo Apts in Rental vs. Ownership
	Rental Condo Apts	Apts in the RMS ¹	2 Bedroom		
			Rental Condo Apts	Apts in the RMS ¹	
Calgary CMA	3.5 b	2.1 a	1,293 b	1,148 a	18.0 a
Edmonton CMA	4.3 c	2.4 a	1,099 b	1,034 a	23.3 a
Montréal CMA	3.2 b	2.4 a	1,037 b	659 a	9.4 a
Ottawa-Gatineau CMA (Ont. Part)	0.5 a	1.4 a	1,103 b	995 a	19.1 a
Québec CMA	1.3 a	0.6 a	**	653 a	8.4 a
Regina CMA	0.3 a	0.5 a	n/a	756 a	11.7 a
Saskatoon CMA	1.8 b	1.9 a	n/a	841 a	11.5 a
Toronto CMA	0.4 a	2.0 a	1,625 b	1,095 a	19.1 a
Vancouver CMA	0.6 a	0.5 a	1,507 c	1,124 a	22.1 a
Victoria CMA	2.0 b	0.5 a	1,096 b	965 a	16.9 a

¹ Apartments surveyed in the Rental Market Survey (RMS) include only those in purpose built rental buildings with at least 3 rental units.

4.2 Rental Condominium Apartments Vacancy Rates (%), Average Rents (\$) and Percentage of Condominium Apartments in Rental Oct-08						
Centres	Vacancy Rates (%)		Average 2 Bedroom Rent (\$)		Percentage of Condominium Apartments in Rental vs Ownership	
	Oct-07	Oct-08	Oct-07	Oct-08	Oct-07	Oct-08
	Calgary CMA	0.7 a	3.5 b	1,217 b	1,293 b	21.4 a
Edmonton CMA	1.5 a	4.3 c	1,052 b	1,099 b	24.5 d	23.3 a
Montréal CMA	3.8 a	3.2 b	1,082 c	1,037 b	9.0 a	9.4 a
Ottawa-Gatineau CMA (Ont. Part)	0.5 a	0.5 a	1,119 a	1,103 b	18.8 a	19.1 a
Québec CMA	2.4 a	1.3 a	945 c	**	9.2 a	8.4 a
Regina CMA	n/a	0.3 a	n/a	n/a	n/a	11.7 a
Saskatoon CMA	n/a	1.8 b	n/a	n/a	n/a	11.5 a
Toronto CMA	0.7 a	0.4 a	1,535 a	1,625 b	18.7 a	19.1 a
Vancouver CMA	0.2 a	0.6 a	1,435 b	1,507 c	22.3 a	22.1 a
Victoria CMA	n/a	2.0 b	n/a	1,096 b	n/a	16.9 a

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 is 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/a: No units exist in universe for this category n/a: No units exist in the sample for this category n/a: Not applicable