



PRESS RELEASE



Canadian Mortgage News - National Archive 2007

National Rental Vacancy Rate Unchanged from October 2006 at 2.6 per cent

OTTAWA, Ontario, December 13, 2007 — The average rental apartment vacancy rate in Canada's 34 major centres¹ remained unchanged at 2.6 per cent in October 2007 compared to October 2006, according to the **Rental Market Survey** released today by Canada Mortgage and Housing Corporation (CMHC).

"Strong employment growth, solid income gains, and high immigration levels continued to support strong demand for both ownership and rental housing," said Bob Dugan, Chief Economist at CMHC's Market Analysis Centre. The rising gap between the cost of home ownership and renting also kept demand strong for rental accommodation."

"However, modest rental construction and increased competition from the condominium market offset the strong rental demand, keeping the rental apartment vacancy rate unchanged from a year earlier." 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. Therefore, high levels of condominium completions have created competition for the rental market and have put upward pressure on vacancy rates.

In October 2007, provincial vacancy rates were lowest in British Columbia (1.0 per cent), Saskatchewan (1.2 per cent), Manitoba (1.5 per cent), and Alberta (1.6 per cent). The strong economic expansion in western provinces continued to attract workers from the rest of Canada. Many of these newly arrived migrants initially settled in rental housing, keeping rental demand strong in the West.

The centres with the highest vacancy rates in 2007 were Windsor (12.8 per cent), Saint John (5.2 per cent), and Moncton (4.3 per cent). On the other hand, the major urban centres with the lowest vacancy rates were Kelowna (0.0 per cent), Victoria (0.5 per cent), Greater Sudbury (0.6 per cent) and Saskatoon (0.6 per cent).

In Ontario, vacancy rates were lower than last year in seven of 15 major centres, higher in four and unchanged in four. Rising youth employment and fewer condominium apartment completions across the province increased rental demand. However, this increase was more than offset by the shift to home ownership and declining international migration. At 0.6 per cent, Greater Sudbury registered Ontario's lowest vacancy rate. Both the rental and ownership markets in Greater Sudbury are benefiting from a boom in mining activity driven by rising commodity prices which in turn is boosting employment growth and in-migration. Vacancy rates remained above provincial averages in goods-producing centres such as Windsor (12.8 per cent), St. Catharines - Niagara (4.0 per cent) and Thunder Bay (3.8 per cent). A Canadian dollar above parity dampened local business and housing market conditions in these centres. The vacancy rate in Ontario's two largest centres was unchanged from last October with Ottawa at 2.3 per cent and Toronto at 3.2 per cent.

In Quebec, vacancy rates went up in Montréal, Sherbrooke and Trois-Rivières, and declined in Gatineau, Québec and Saguenay. Despite a less favorable migratory context and the completion of several rental projects, strength in certain segments of the labour market helped sustain overall rental demand. Gatineau's vacancy rate decreased to 2.9 per cent in October 2007 from 4.2 per cent in October 2006, while the vacancy rate in Montréal increased by 0.2 of a percentage

Canadian Mortgage News - National Rental Vacancy Rate Unchanged from October 2006 at 2.6 per cent point to 2.9 per cent over this period. Québec saw a 0.3 percentage point decrease in its vacancy rate to 1.2 per cent.

In the Prairies, vacancy rates were below two per cent in all five metropolitan areas, even though three of the five major centres recorded increases. In Alberta, weaker net migration and indirect additions to the rental supply via condominium investments led to higher vacancies in Calgary and Edmonton. Vacancy rates increased to 1.5 per cent in Calgary (up 1.0 percentage point) and Edmonton (up 0.3 of a percentage point). In Saskatchewan, a rapid improvement in net migration and escalating home ownership costs led to fewer vacancies in Saskatoon and Regina. Saskatoon's vacancy rate decreased by 2.6 percentage points to 0.6 per cent between October 2006 and October 2007, the sharpest drop among Canada's major centres. In Winnipeg, the vacancy rate increased marginally from 1.3 to 1.5 per cent.

In British Columbia, vacancy rates remained unchanged in Vancouver (0.7 per cent) and Victoria (0.5 per cent), but rose marginally in Abbotsford (up 0.1 of a percentage point to 2.1 per cent) between October 2006 and October 2007. British Columbia's newest Census Metropolitan Area, Kelowna, saw its vacancy rate decline from 0.6 to 0.0 per cent. Increased job opportunities, the rising cost of home ownership, a high level of immigration and longer completion times on new multiple-unit projects kept rental demand strong. On the supply side, there have been very few new rental projects built in B.C. during the last year. Some renters are turning to the secondary rental market, which includes accessory suites and investor-owned condominiums, to meet their housing needs.

Various demographic trends and lifestyle choices paired with rising home prices have contributed to an increase in demand and a resulting tenth of a percentage point decline in the vacancy rate in Halifax to 3.1 per cent in 2007. As well, a reduction in rental construction activity has reduced the available supply which, combined with an improving picture for migration and positive economic developments including energy related investments, has helped lower vacancy rates in 2007 to 2.6 per cent in St. John's (from 5.1 in 2006), to 5.2 per cent in Saint John (from 6.8 per cent) and to 4.3 per cent in Moncton (from 5.6 per cent in 2006).

The highest average monthly rents for two-bedroom apartments in new and existing structures were in Calgary (\$1,089), Vancouver (\$1,084), Toronto (\$1,061) and Ottawa (\$961), followed by Edmonton (\$958) and Barrie (\$934). The lowest average monthly rents for two-bedroom apartments in new and existing structures were in Trois-Rivières (\$487) and Saguenay (\$490).

Year-over-year comparison of rents 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 tenants. The average rent for two-bedroom apartments in existing structures increased in all major centres except Windsor where the average rent in existing structures was essentially unchanged for a second consecutive year. The largest rent increases occurred in markets where vacancy rates were quite low. Rents in existing structures were up 18.8 per cent in Edmonton, 15.3 per cent in Calgary, 13.5 per cent in Saskatoon, 7.7 per cent in Greater Sudbury and 7.0 per cent in Kelowna. Overall, the average rent for two-bedroom apartments in existing structures across Canada's 34 major centres increased by 3.5 per cent between October 2006 and October 2007.

CMHC's October 2007 Rental Market Survey also covers condominium apartments offered for rent in the following centres: Vancouver, Calgary, Edmonton, Toronto, Ottawa, Montréal, and Québec. In 2007, vacancy rates for rental condominium apartments were below one per cent in four of the seven centres surveyed. Rental condominiums in Vancouver had the lowest vacancy rate at 0.2 per cent. On the other hand, Québec and Montréal registered the highest vacancy rates for condominium apartments at 2.4 per cent and 3.8 per cent in 2007, respectively. The survey showed that vacancy rates for rental condominium apartments in 2007 were lower than vacancy rates in the conventional rental market in Vancouver, Calgary, Toronto and Ottawa, the same in Edmonton, and higher in Québec and Montréal. The highest average monthly rents for two-bedroom condominium apartments were in Toronto (\$1,535), Vancouver (\$1,435), and Calgary (\$1,217). 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 2007.

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CMHC's Rental Market Survey also gathers information on monthly rents in dwelling types² other than private apartments and condominium apartments such as duplexes and accessory apartments for 12 major centres.

CMHC recently introduced a new rental affordability indicator in the October edition of *Housing Now Canada* for the following five major centres: Vancouver, Calgary, Montréal, Toronto, and Halifax. The new rental affordability indicator is used to examine trends in rental affordability within a centre, and to compare affordability across centres. Indicators for additional centres are now available as part of CMHC's recently released *2007 Rental Market Reports* for major centres.

CMHC has been Canada's national housing agency for more than 60 years. CMHC is committed to helping Canadians access a wide choice of quality, environmentally sustainable, affordable homes, while making vibrant, healthy communities and cities a reality 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.

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.

2 CMHC'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 12 major centres: Vancouver, Toronto, Montréal, Calgary, Edmonton, Ottawa, Québec, Halifax, Abbotsford, St. John's, Kelowna and Barrie CMAs.

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To access CMHC's 2007 reports on the rental market select from the links below:

- [Rental Market Reports — Major Centres](#) now offer more coverage of the secondary rental market³ in selected centres
- [Rental Market Report — Canada Highlights](#) — containing at a glance rental market information for Canada's 34 major centres
- [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
- [Rental Market Statistics Report](#) — a sourcebook of statistical tables with national, provincial and local rental housing market data

3 The 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.

Rental Market Indicators

Privately Initiated Apartment Structures of Three Units and Over Provinces and Major Centres¹

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-06		Oct-07		Oct-06		Oct-07		Oct-06		Oct-07		Oct-05 to Oct-06		Oct-06 to Oct-07	
Newfoundland & Labrador 10,000+	4.1	a	2.1	a	4.5	a	2.8	a	585	a	575	a	1.4	a	2.6	a
St. John's CMA	5.1	a	2.6	a	5.6	a	3.5	a	635	a	614	a	++		2.6	a
Prince Edward Island 10,000+	5.3	b	4.1	a	7.0	a	5.6	a	631	a	648	a	3.7	b	++	
Charlottetown CA	4.8	b	4.3	a	6.8	a	6.0	a	638	a	659	a	4.0	b	++	
Nova Scotia 10,000+	3.3	a	3.2	a	3.9	a	3.7	a	760	a	777	a	3.5	c	1.7	b
Halifax CMA	3.2	a	3.1	a	3.8	a	3.6	a	799	a	815	a	3.5	c	1.7	c
New Brunswick 10,000+	6.0	a	5.3	a	6.7	a	6.1	a	609	a	619	a	1.8	b	2.3	a
Moncton CMA	5.6	b	4.3	b	6.2	b	5.7	a	636	a	643	a	1.8	b	2.0	a
Saint John CMA	6.8	b	5.2	a	7.8	b	6.1	a	556	a	570	a	2.1	c	3.5	c
Québec 10,000+	2.5	a	2.6	a	3.0	a	3.2	a	607	a	616	a	2.6	a	2.5	a
Ottawa - Gatineau CMA (Que. Part)	4.2	b	2.9	a	4.4	b	3.3	b	667	a	662	a	++		1.4	a
Montréal CMA	2.7	a	2.9	a	3.3	a	3.6	a	636	a	647	a	2.8	a	2.3	a
Québec CMA	1.5	a	1.2	a	1.8	a	1.7	a	637	a	641	a	2.2	b	2.7	a
Saguenay CMA	4.1	b	2.8	a	4.8	a	3.4	b	485	a	490	a	1.2	d	6.6	c
Sherbrooke CMA	1.2	a	2.4	a	1.4	a	2.6	a	515	a	529	a	3.2	c	3.4	b
Trois-Rivières CMA	1.0	a	1.5	a	1.7	a	2.1	a	488	a	487	a	2.1	c	4.4	b
Ontario 10,000+	3.4	a	3.3	a	5.2	a	5.1	a	919	a	924	a	1.5	a	1.6	a
Barrie CMA	2.8	b	3.2	b	4.6	b	4.1	b	906	a	934	a	2.4	b	1.3	d
Brantford CMA	2.3	a	2.9	b	3.5	b	4.6	b	712	a	749	a	++		2.0	c
Greater Sudbury CMA	1.2	a	0.6	a	2.2	a	1.3	a	706	a	749	a	5.1	a	7.7	b
Guelph CMA	2.8	a	1.9	a	4.3	a	3.4	a	839	a	848	a	1.1	a	1.6	a
Hamilton CMA	4.3	a	3.5	a	7.0	a	5.8	a	796	a	824	a	1.1	a	1.2	a

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Kingston CMA	2.1	a	3.2	b	3.7	a	4.6	b	841	a	856	a	2.3	b	2.0	c
Kitchener CMA	3.3	a	2.7	a	5.6	a	4.9	a	824	a	829	a	1.6	a	1.6	b
London CMA	3.6	a	3.6	a	5.6	a	5.3	a	790	a	816	a	1.7	a	2.3	a
St. Catharines-Niagara CMA	4.3	a	4.0	a	6.1	a	5.7	a	752	a	765	a	2.3	a	1.8	a
Oshawa CMA	4.1	b	3.7	a	6.3	a	5.5	a	861	a	877	a	++		1.4	a
Ottawa-Gatineau CMA (Ont. Part)	2.3	a	2.3	a	4.6	a	3.8	a	941	a	961	a	3.0	b	2.0	a
Peterborough CMA	2.8	a	2.8	a	4.5	b	4.7	a	818	a	822	a	**		2.2	b
Thunder Bay CMA	4.9	b	3.8	b	5.9	a	4.4	a	696	a	709	a	1.4	a	2.2	a
Toronto CMA	3.2	a	3.2	a	5.0	a	5.0	a	1,067	a	1,061	a	1.1	a	1.0	a
Windsor CMA	10.4	a	12.8	a	12.0	a	14.4	a	774	a	773	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)

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	Oct-06	Oct-07	Oct-06	Oct-07	Oct-06	Oct-07	Oct-05 to Oct-06	Oct-06 to Oct-07								
Manitoba 10,000+	1.6	a	1.5	a	2.2	a	1.8	a	692	a	721	a	3.3	a	3.9	a
Winnipeg CMA	1.3	a	1.5	a	2.0	a	1.8	a	709	a	740	a	3.4	a	4.0	a
Saskatchewan 10,000+	3.2	a	1.2	a	4.3	a	2.0	a	601	a	661	a	3.6	a	9.1	a
Regina CMA	3.3	b	1.7	a	4.7	a	2.5	a	619	a	661	a	2.0	a	6.2	a
Saskatoon CMA	3.2	a	0.6	a	4.2	a	1.8	a	608	a	693	a	4.0	a	13.5	a
Alberta 10,000+	0.9	a	1.6	a	1.7	a	2.6	a	868	a	1,011	a	13.3	a	17.2	a
Calgary CMA	0.5	a	1.5	a	1.6	a	2.9	a	960	a	1,089	a	19.5	a	15.3	a
Edmonton CMA	1.2	a	1.5	a	1.7	a	2.4	a	808	a	958	a	9.9	a	18.8	a

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British Columbia 10,000+	1.2	a	1.0	a	1.9	a	1.7	a	885	a	922	a	4.6	a	5.5	a
Abbotsford CMA	2.0	a	2.1	a	3.5	a	3.4	a	719	a	752	a	3.0	a	4.8	c
Kelowna CMA	0.6	a	0.0	b	1.0	a	0.4	a	800	a	846	a	5.5	a	7.0	a
Vancouver CMA	0.7	a	0.7	a	1.3	a	1.4	a	1,045	a	1,084	a	4.4	a	5.5	a
Victoria CMA	0.5	a	0.5	a	1.5	a	1.2	a	874	a	907	a	4.1	a	4.5	a
Canada CMAs (1)	2.6	a	2.6	a	3.6	a	3.7	a	780	a	795	a	3.2	a	3.5	a
Canada 10,000+	2.7	a	2.6	a	3.7	a	3.7	a	755	a	772	a	3.2	a	3.6	a

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 2006, calculated using October 2005 and October 2006 data, and for October 2007, calculated using October 2006 and October 2007 data

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Rental Condominium Apartments and Private Apartments in the RMS¹

Vacancy Rates (%), Average Rents (\$) and Percentage of Condominium Apartments in Rental Oct-07

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	Rental Condo Apts	Apts in the RMS ¹	Rental Condo Apts	Apts in the RMS ¹	Rental Condo Apts	Apts in the RMS ¹		
Calgary CMA	0.7	a	1.5	a	1,217	b	1,089	a	21.4	a
Edmonton CMA	1.5	a	1.5	a	1,052	b	958	a	24.5	d
Montréal CMA	3.8	a	2.9	a	1,082	c	647	a	9.0	a
Ottawa - Gatineau CMA (Ont. Part)	0.5	a	2.3	a	1,119	a	961	a	18.8	a
Québec CMA	2.4	a	1.2	a	945	c	641	a	9.2	a
Toronto CMA	0.7	a	3.2	a	1,535	a	1,061	a	18.7	a
Vancouver CMA	0.2	a	0.7	a	1,435	b	1,084	a	22.3	a

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

Rental Condominium Apartments Vacancy Rates (%), Average Rents (\$) and Percentage of Condominium Apartments in Rental

Centres	Vacancy Rates (%)				Average 2 Bedroom Rent (\$)				Percentage of Condominium Apartments in Rental vs Ownership			
	Oct-06		Oct-07		Oct-06		Oct-07		Oct-06		Oct-07	
Calgary CMA	0.7	a	0.7	a	1,212	d	1,217	b	17.6	a	21.4	a
Edmonton CMA	0.6	a	1.5	a	890	c	1,052	b	17.8	a	24.5	d
Montréal CMA	2.8	a	3.8	a	1,020	c	1,082	c	8.1	a	9.0	a
Ottawa - Gatineau CMA (Ont. Part)	1.0	a	0.5	a	1,081	b	1,119	a	17.2	a	18.8	a
Québec CMA	1.2	a	2.4	a	844	c	945	c	7.7	a	9.2	a
Toronto CMA	0.4	a	0.7	a	1,542	a	1,535	a	20.9	a	18.7	a
Vancouver CMA	0.4	a	0.2	a	1,252	b	1,435	b	21.9	a	22.3	a

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