HOUSING MARKET INFORMATION

RENTAL MARKET REPORT

CANADA AND SELECTED MARKETS

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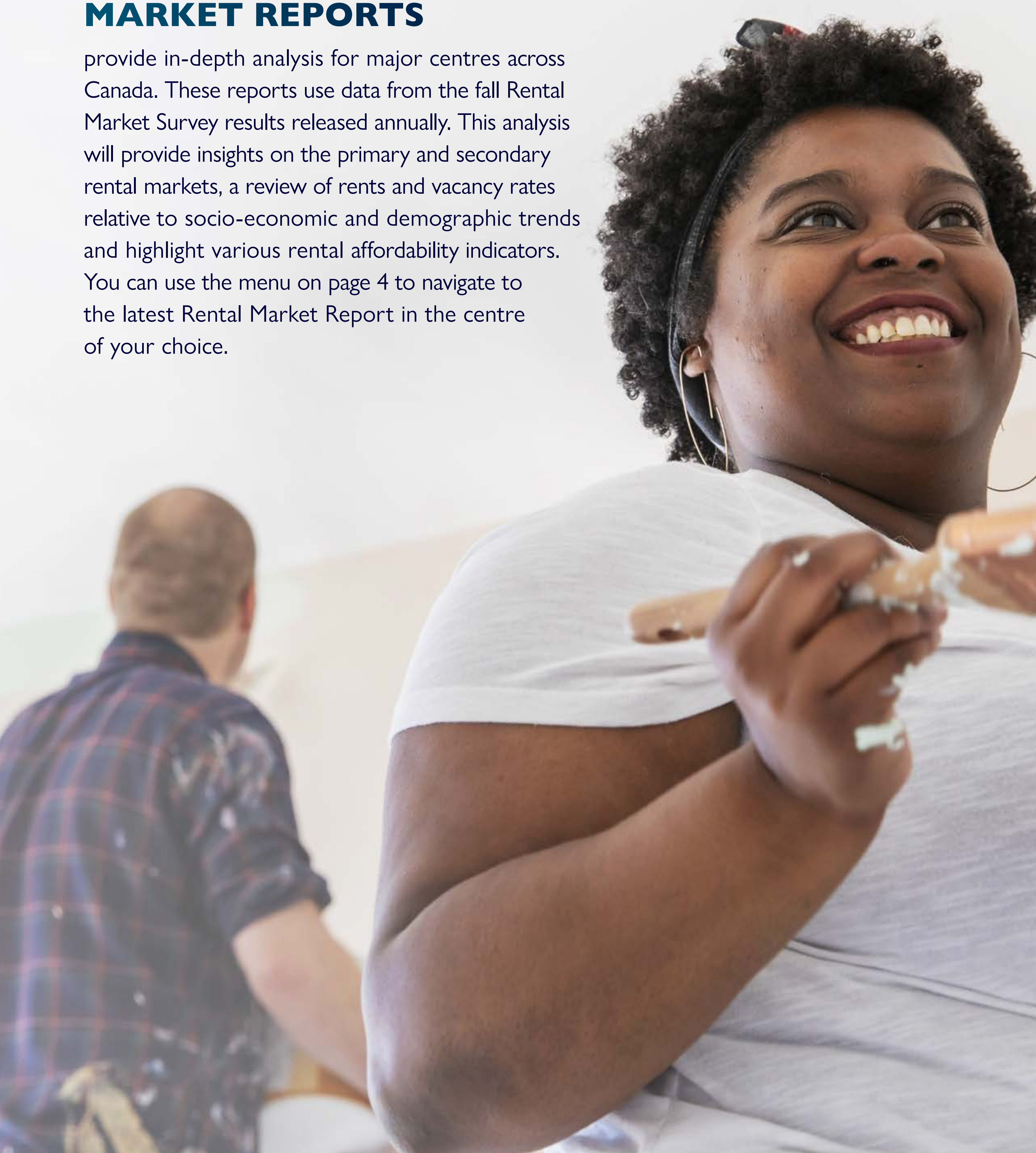
THE RENTAL MARKET REPORTS

provide in-depth analysis for major centres across Canada. These reports use data from the fall Rental Market Survey results released annually. This analysis will provide insights on the primary and secondary rental markets, a review of rents and vacancy rates relative to socio-economic and demographic trends and highlight various rental affordability indicators. You can use the menu on page 4 to navigate to the latest Rental Market Report in the centre of your choice.



Our Chief Economist and Deputy Chief Economists

Our Chief Economist and Deputy Chief Economists lead a cross-country team of housing economists, analysts and researchers who strive to improve understanding of trends in the economy, housing markets, and how they impact affordability.

They can offer insights into house price trends, supply challenges and other factors that impact housing markets in Canada and can speak on Canada Mortgage and Housing Corporation's (CMHC) latest housing research and market reports.

"We are studying what drives house prices so we can influence policies in order to improve housing affordability while avoiding approaches that would worsen housing affordability in the medium to longer term. Communicating the results of our research and analysis helps position CMHC as a thought leader, which is a role Canadians and housing stakeholders expect of us."

Bob Dugan,
Chief Economist

"Housing markets are local. Broader challenges such as supply are often common, but the drivers and magnitude of these challenges may differ significantly across the country. My goal is to help understand and inform on market dynamics, how they support hinder housing affordability goals and to provide thought leadership on housing economics across housing industry participants."

Aled ab Iorwerth,
Deputy Chief Economist

"Housing markets are local. However, significant drivers of these markets are much broader. Macroeconomic, demographic, employment, income and financial conditions can all impact our housing system. How does Canada's demographic profile impact current and future housing needs? How are households' income and wealth dynamics challenging households that have been made most vulnerable? Understanding this is critical to ensuring everyone in Canada has a home they can afford and that meets their needs."

Patrick Perrier,
Deputy Chief Economist

Data tables for all markets are available for download at cmhc.ca/rental-market-report-data

Click on links below for direct access.

Canada Overview

PURPOSE BUILT RENTAL MARKET

Vacancy Rate	Average Two-Bedroom Rent
3.1%	$1,167
	UP by 3%

CONDOMINIUM APARTMENT MARKET

Vacancy Rate	Average Two-Bedroom Rent
1.8%	$1,771

Data tables from the Rental Market Survey and the Condominium Apartment Survey are available by market by clicking on the link www.cmhc.ca/rental-data-tables

"Improving economic conditions and partial recovery in net migration, bolstered by high vaccination rates and easing pandemic restrictions into Fall 2021, supported recovery in rental demand."

Gustavo Durango
Senior Economist

MARKET INSIGHTS

HIGHLIGHTS

The vacancy rate for purpose-built rental apartments held steady in 2021, following the pandemic-induced spike of 2020, while the pace of rent growth slowed.

The vacancy rate stabilized because rental demand kept pace with supply growth in 2021 after demand fell far behind supply in 2020.

Improved economic and demographic conditions supported rental demand, including recovery in youth employment and renewed net international migration, as vaccination rates increased and pandemic restrictions eased.

Rental affordability continues to pose a significant challenge across the country.

National vacancy rate held constant in 2021 following a pandemic-induced spike of 2020

The average vacancy rate for purpose-built rental apartments across all Canadian centres (of at least 10,000 population) was 3.1% in October 2021, a statistically insignificant change from 3.2% in 2020. The vacancy rate remains above the low levels of 2018 and 2019 but in line with its longer-run average (see Figure 1).

Vacancy rates decreased or held steady in most centres, with Toronto among the exceptions

Vacancy rates declined in 21 of the 37 census metropolitan areas (CMAs) surveyed, including Vancouver, most centres in Alberta, Saskatchewan and the Atlantic region[1]. Vacancy rates increased in only 3 centres: Toronto, Winnipeg and Abbotsford-Mission. Rates held steady in the remaining 13 centres, including the market of Montréal.

The stability in Montréal 's vacancy rate was a key factor behind the stability of the overall national vacancy rate. Montréal 's rental market accounts for roughly 30% of the rental market universe, well above Toronto (about 15%) and Vancouver (about 5%). As a result, vacancy rate trends in Montréal greatly influence national trends.

The difference in vacancy rate trends between Toronto and the other large markets of Montréal and Vancouver reflects a relatively delayed pandemic recovery in Toronto. This delayed recovery held down the pace of growth in rental demand in Toronto, placing upward pressure on Toronto's vacancy rate.

The Prairies generally continued to see the highest vacancy rates (see Figure 2).

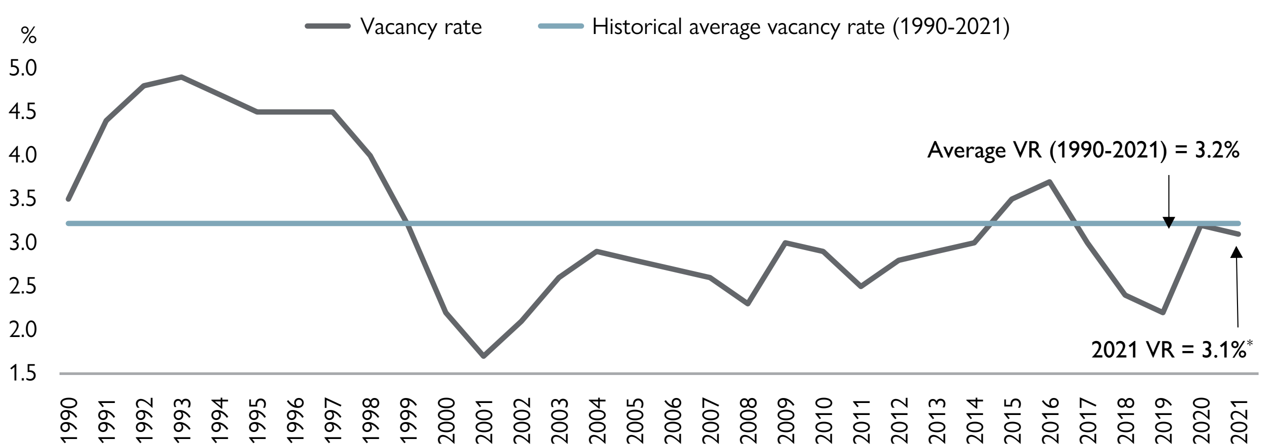
Rental demand generally kept pace with supply growth except in Toronto

Between October 2020 and October 2021, the rental market universe grew by about 40,000 purpose-built rental apartment units (or 1.9%). Demand kept up with supply as the number of occupied apartments grew by roughly 41,000 units (or 2%), resulting in a stable vacancy rate. This represents a significant recovery in rental demand from October 2020. At that time, supply growth had outpaced demand growth by about 26,000 units.

[1] Includes 36 CMAs and 1 Census Agglomeration (CA) in Charlottetown, PEI.

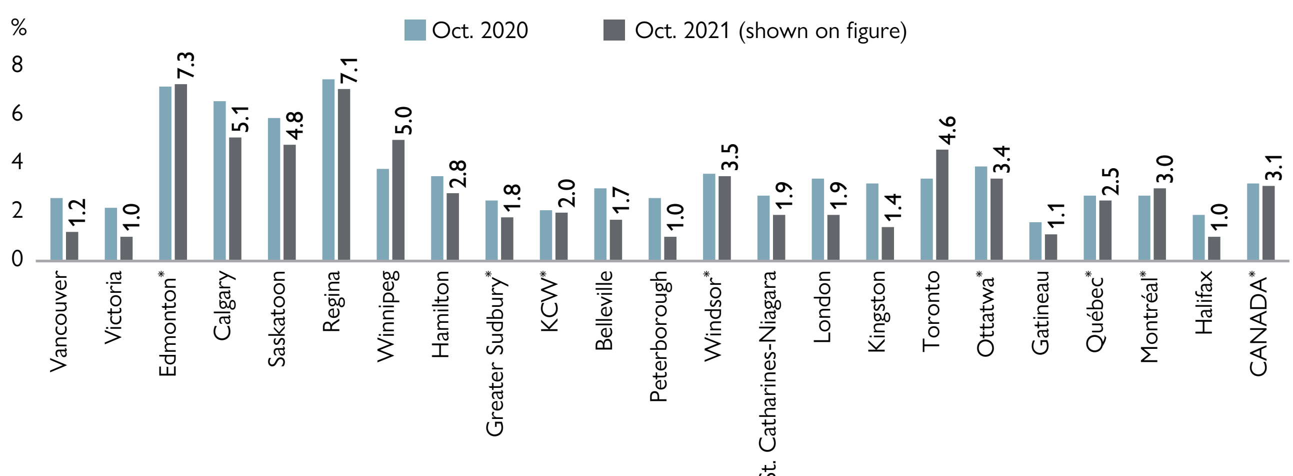
While rental demand in most provinces and major markets roughly kept pace with supply by October 2021, the provinces of Ontario and Manitoba were exceptions. Supply continued to outpace demand in these provinces by significant margins. This includes their major centres of Toronto and Winnipeg, where supply outpaced demand by roughly 4,000 and 1,000 units, respectively. Within British Columbia, Abbotsford-Mission was the only CMA that saw supply outpace demand. The increases in vacancy rates of Toronto, Winnipeg and Abbotsford-Mission reflect this condition where supply outpaced demand.

Figure 1: Canada's vacancy rate held steady in 2021 following pandemic-induced jump in 2020 (for purpose-built rental apartments)



Source: CMHC
Canada: Centres of 10,000+ population.
*Change in 2021 vacancy rate is not statistically significant. This means that the change between 2021 and 2020 is not statistically different than zero (0).

Figure 2: Most markets saw stable or declining vacancy rates for purpose-built rental apartments, Toronto being an exception



Source: CMHC
Canada: Centres of 10,000+ population.
*Change in 2021 vacancy rate is not statistically significant. This means that the change between 2021 and 2020 is not statistically different than zero (0).

Improving economic and demographic conditions supported the revival of rental demand

In a context of highly supportive monetary and fiscal policies, rising vaccination rates and the easing of pandemic-related restrictions have allowed economic conditions to recover much of the ground lost to the pandemic. This includes the employment of young people aged 15-to-24, a key driver of rental demand. When job prospects improve for young adults, renter household formation tends to increase since young adults find it easier to leave the family home for independent rental accommodation.[2]

Young adults saw the deepest and most prolonged losses in employment among all age groups in the wake of the pandemic, contributing to higher vacancy rates in October 2020.[3] Employment for 15-to-24 year olds saw a peak loss of 45% between February 2020 and March 2020, compared to a peak loss of 13% over the same period for all age groups.

This reflects the high proportion of younger adults employed in “hard-to-distance” industries like Accommodation and Food Services, which were more adversely affected by pandemic restrictions than other industries like Professional and Technical Services that are more amenable to working from home and similar distancing adaptations to the pandemic. However, employment has since recovered nationally for 15-to-24-year-olds, having stabilized close to pre-pandemic levels since the summer of 2021 - further supporting the recovery in rental demand.

The largest rental markets of Montréal, Toronto and Vancouver also saw the employment of young adults recover to pre-pandemic levels, but the recovery was relatively delayed in Toronto. This delay may have dampened the effect of higher youth employment on rental demand and vacancy rates in Toronto compared to Montréal and Vancouver. Specifically, employment for 15-to-24-year-olds in Toronto remained below pre-pandemic levels for a greater length of time in 2021 than in Montréal and Vancouver. As a result, Toronto “caught up” to these other centres only in the final months of the year.[4]

Another important source of rental demand is net international migration since most newcomers to Canada tend to rent when they arrive.[5] This source of demand fell to historic lows with the onset of pandemic-related travel restrictions. However, with the easing of pandemic restrictions, net international migration began to recover by late 2020, with recovery accelerating over the first half of 2021. As a result, net international migration in the first half of 2021 was about 45% higher than in the first half of 2020.

On the other hand, net international migration remains well-below pre-COVID levels. The first half of 2021 was 36% lower than in the first half of 2019. This implies that net international migration is likely to continue to fuel growth in rental demand and place further downward pressure on vacancy rates, assuming migration continues to recover to pre-COVID levels.

Data from Immigration Refugee and Citizenship Canada (IRCC) shows that British Columbia and Québec saw the strongest recovery in the number of permanent residents admitted. These were the only provinces where the increase in permanent residents from October 2020 to September 2021 exceeded the change registered over the same period from 2019 to 2020 and from 2018 to 2019 (pre-COVID period). Most other provinces remain below 2019 pre-COVID numbers of new permanent residents admitted. All CMAs in British Columbia, including Vancouver, were above pre-COVID levels. Several centres were also above pre-COVID levels in Québec , but Montréal fell just short of its 2019 level. Several centres in Ontario were above pre-COVID levels, but this was offset at the provincial level by Toronto, which remains further below pre-COVID admissions than does Montréal. By contrast, the Atlantic region and the Prairies saw the weakest recovery in permanent resident admissions compared to local pre-COVID levels.

An important component of rental demand from the flow of people across national borders is the number of international students. This major factor contributes to rental demand in markets with a high concentration of higher learning institutions. IRCC data shows that the number of study permit holders in Canada for the period from October 2020

2 According to data from the 2016 Census, a majority of households headed by young adults were renters.

3 Employment data source: Statistics Canada (14-10-0380-02).

4 Based on a comparison of employment of 15-to-24 year olds in these centres, with employment indexed to February 2020 as the pre-COVID baseline. Sources: Statistics Canada (14-10-0380-02) and CMHC calculations.

5 Census data from the last few years show that a majority of immigrants having recently arrived in the country chose to rent.

to August 2021 (latest available data at the time of writing) increased by 44.3% when compared to the same period in 2019 to 2020 but remained 6.8% below the pre-pandemic period of October 2018 to August 2019. The province of Québec reported the strongest growth in study permits since October 2020.

National rent growth slowed to a 3-year low and moved closer to the long-run average

Across all surveyed centres, growth in the average rent for two-bedroom apartments in structures common to both the October 2020 and October 2021 surveys slowed for a second consecutive year, to 3% from 3.5%. This growth is significantly below the 18-year high of 3.9% registered in October 2019 and closer to the historical average of 2.7%. It was also below overall inflation in Canada during the same period. The all-items CPI increased by 4.7% between October 2020 and October 2021.[6]

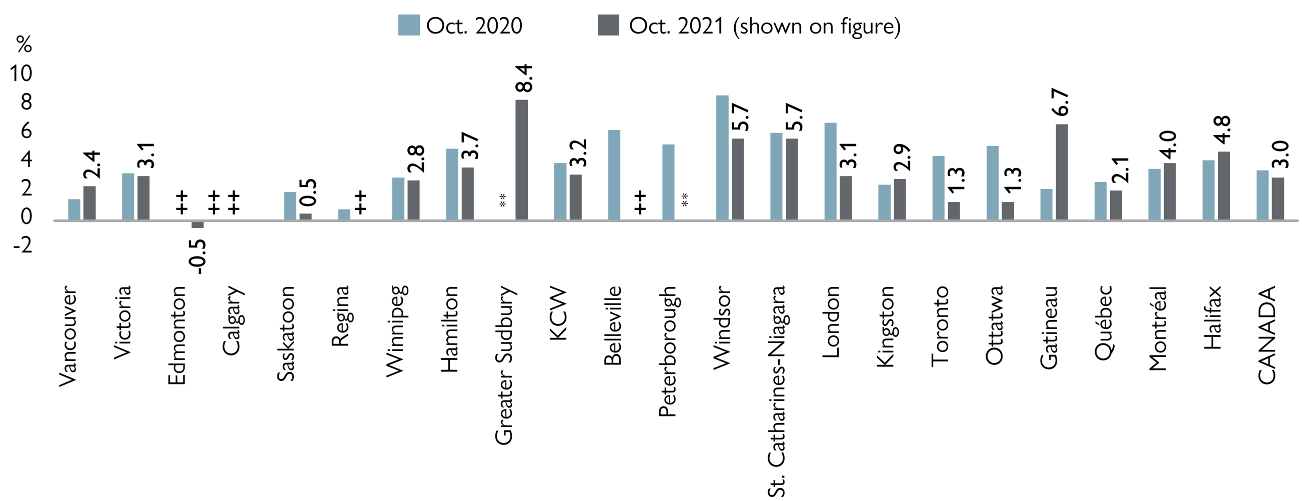
Several centres were exceptions to the national trend and saw the pace of rent growth increase, including Vancouver and Montréal (see Figure 3). Conversely, Toronto registered one of the largest declines in same-sample rent growth, consistent with Toronto being one of the few centres to see a significant rise in vacancy rates.

The CMA with the highest average monthly rent level for a two-bedroom purpose-built rental apartment continued to be Vancouver, followed by Toronto. Centres in Québec (including Montréal) continued to report the lowest rent levels in Canada.

Tenant turnover rates increased

The tenant turnover rate measures the proportion of units where new tenants moved in since the previous survey. Nationally, the average turnover rate increased to 15.5% from 14% in October 2020 but remained below the pre-pandemic level of 17.3% in October 2019. This implies that renters were likely more able and willing to leave one dwelling for another than they were during the pandemic, but not as much as they were before the pandemic. Compared to pre-COVID rates, most exceptions to the national trend of lower turnover rates in 2021 were concentrated in Ontario, including Toronto. These centres registered solid growth in turnover rates in 2021, exceeding pre-COVID levels.

Figure 3: Rent growth slowed across Canada, including a marked decline in Toronto. Vancouver and Montreal were major exceptions



Source: CMHC. Rent growth measured for privately initiated apartment structures of three or more units in both the 2020 and 2021 surveys. Canada: Centres of 10,000+ population. ** – Data Suppressed; **++** – Change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0).

[6] Source: Statistics Canada. Table 18-10-0004-01, Consumer Price Index, monthly, not seasonally adjusted.

Rental affordability continued to pose a challenge across the country

To provide more information on the affordability of the purpose-built rental stock, CMHC calculates the number of units in the rental universe that would be affordable for each quintile of the renter income distribution. An affordable dwelling is where the renter household is spending no more than 30% of its gross income on rent. Most centres report a relative lack of affordable units for households in the lowest income quintiles, with several centres reporting declines in such units since the previous survey.

Figure 4 presents an alternative way of measuring affordability across markets. This measure uses rent levels from our Rental Market Survey and average hourly wage earnings from Statistics Canada (provided to CMHC as a special tabulation covering several CMAs). These data points estimate the total number of hours an individual would have to work in a month to afford the average rent on a two-bedroom apartment, assuming they are earning the average wage in their CMA. Full-time employment equates to 150 hours a month (or 37.5 hours a week). Therefore, centers showing more than 150 hours required for affordability implies that the average rent is not affordable for a single average wage earner without another source of income, even if they work full time.

Figure 4 indicates that major centres in British Columbia and Ontario are above 150 hours, indicating significant rental affordability challenges in these markets. In addition, most centres shown in Figure 4 saw rental affordability deteriorate since October 2020, with the number of hours of work required to ensure rental affordability increasing by October 2021. This data indicates that rent growth has exceeded wage growth in most centres over the same period. In real terms, the decline in real wages exceeded the decline in real rents, which deteriorated affordability conditions.

Figure 4: Hours of work needed per month to keep monthly rent at 30% of gross income for a 2-bedroom purpose-built rental apartment

Selected CMAs	Oct-21	Oct-20	Change (number of hours)
Vancouver	198.0	197.8	0.3
Victoria	162.6	162.8	-0.3
Edmonton	130.6	124.4	6.3
Calgary	136.7	128.5	8.2
Saskatoon	136.1	130.5	5.6
Regina	127.0	123.0	4.1
Winnipeg	164.0	159.5	4.5
Hamilton	148.0	143.2	4.7
Greater Sudbury	141.8	130.0	11.9
Kitchener-Cambridge-Waterloo	143.4	140.5	2.9
Peterborough	160.5	123.8	36.7
Windsor	137.8	119.2	18.6
St. Catharines - Niagara	149.4	138.5	11.0
London	154.1	139.2	14.9
Kingston	156.4	154.4	1.9
Toronto	178.3	170.7	7.6
Ottawa	146.5	144.3	2.3
Gatineau	107.1	99.2	7.9
Québec	105.6	100.5	5.1
Montréal	105.8	102.9	3.0
Halifax	162.6	150.8	11.8

Source: Rent payments from CMHC's Rental Market Survey. Average hourly wage earnings from Statistics Canada in Q3 2021 (special tabulation).

The affordability of mortgage payments on a new mortgage has generally deteriorated faster since October 2020 as average home prices have generally outpaced rents in most centres. This deterioration likely increased the barriers to transition from rent to homeownership, particularly for lower-income households, further supporting rental demand as fewer renter households may have been able to make the transition to homeownership.

Rental condominium apartment vacancy rates hold steady

CMHC's Condominium Apartment Survey covers condominium apartments offered for rent on the secondary rental market in 17 Canadian centres. As was the case for purpose-built rental apartments, the average vacancy rate for rental condominiums across surveyed centres, saw no statistically meaningful change from October 2020. The same was also the case for most of the individual centres.

Condominium rental markets continued to be very tight outside the Prairies, with vacancy rates falling to zero in Victoria and remaining under 1% in several other CMAs.

The national average rent increased for two-bedroom rental condominiums. This average was driven by significant increases in Montréal (11.2%) and Vancouver (21.4%), as most other centres saw no statistically significant change in condominium apartment rent levels. Vancouver and Toronto continued to report the highest condominium rent levels.

The average rent for two-bedroom rental condominium apartments continued to exceed the average rent for two-bedroom purpose-built apartments in all 17 centres. In contrast, condominium vacancy rates are lower in most cases. Condominiums are typically newer and offer a greater range of amenities than purpose-built rental apartments, driving generally higher rents and lower vacancy rates for condominium rental apartments.

Download the Excel data table (XLSX) for this market. Data tables for all markets are also available for download at cmhc.ca/rental-market-report-data.

Vancouver

PURPOSE BUILT RENTAL MARKET

Vacancy Rate

1.2%

Average Two-Bedroom Rent

$1,824

UP by 2.4%

CONDOMINIUM APARTMENT MARKET

Vacancy Rate

0.8%

Average Two-Bedroom Rent

$2,498

Data tables from the Rental Market Survey and the Condominium Apartment Survey are available by market by clicking on the link www.cmhc.ca/rental-data-tables

"With the return of economic growth, rental demand increased faster than supply in 2021. The Vancouver rental market again faces many of the same imbalances as in 2019."

Eric Bond
Senior Specialist

MARKET INSIGHTS

HIGHLIGHTS

The purpose-built rental apartment vacancy rate decreased from 2.6% in 2020 to 1.2% in 2021, similar to 2019. The return of students and increased migration to the region grew rental demand faster than supply.

The tightening conditions intensified existing imbalances in the Vancouver rental market. Our data shows that lower-income households face significant challenges finding units that they can afford.

While frozen for existing tenants, rents increased 2.1% overall with the turnover of units to new tenants.

Asking rents for vacant units declined compared to 2020 due to the absorption of new, prime location apartments with high rents that had previously been vacant.

The number of condominium apartments in long-term rental increased by 3.3% (2,550 units). While this was a much slower pace than in 2019 and 2020, rental condominiums continue to be an essential source of new rental supply for the region.

Vacancy rates decreased to 2019 levels amid higher demand

The rental market tightened in the Vancouver Census Metropolitan Area (CMA) in 2021. Following a pandemic-induced demand interruption in 2020, the overall vacancy rate for purpose-built apartments returned to a pre-pandemic level.

Vacancy rates decreased across market segments and regions. Tenants have returned to central areas with higher rents. The City of Vancouver has a lower vacancy than the region overall, while West End/Downtown vacancy rates dropped from 4% to 1.6%.

As part of an overall increase in demand, the vacancy rate in suburban areas also declined. The tightening rental market in the Vancouver CMA contrasts with other large centres in Canada. The contrast is most prominent with the Toronto CMA, where the vacancy rate rose to 4.6% and tenants continued to leave central areas.

Recovery in employment, migration and student population increased demand

The economic recovery following the pandemic lockdown in 2020 impacted the Vancouver rental market through several channels. While some challenges remain, employment for younger people and workers in the accommodation and food service industries recovered strongly. Both of these groups disproportionally rent. Renewed earnings allowed new rental households to form, particularly in central areas with high rents that had been vacated in 2020.

From both international and domestic origins, migration to the Vancouver area increased strongly in 2021 as borders reopened and BC's economy expanded. Migration is responsible for most of the region's population growth and new migrants tend to form renter households. These developments increased rental demand. In particular, demand from international migrants is expected to remain strong over the coming years, given the federal government's higher immigration targets.

With post-secondary education returning to in-class instruction, many students returned to Vancouver. In the University Endowment Lands, home to the University of British Columbia, the purpose-built rental apartment vacancy rate decreased from a pandemic-induced high of 13% in 2020 to 0% in 2021. This sudden and complete disappearance of vacancy occurred despite increasing supply in the area over the past year, suggesting the change resulted purely from increased demand.

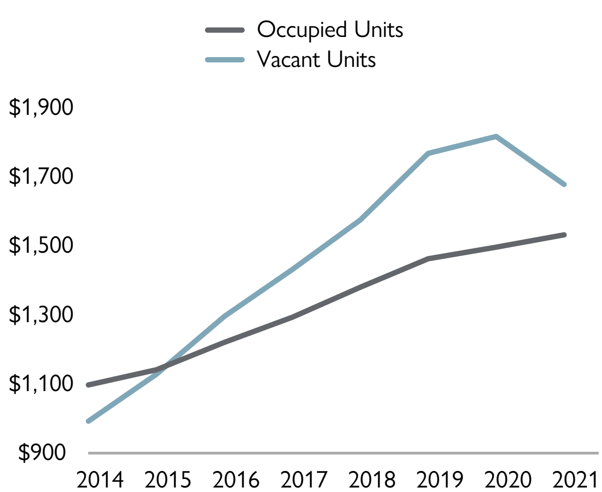
Rents increased only with the turnover of units to new tenants

Same-sample average rents for apartment units in the Vancouver CMA purpose-built rental market increased about 2% overall, similar to 2020. The increase was broad-based across the region, with apartments in suburban locations generally seeing more significant rent increases than those in central areas with higher rents. Provincial pandemic response measures that froze rents for existing tenants contributed to the slower pace of rent increases. However, the average rents did continue to rise, but this was entirely due to landlords raising rents to market levels when units were re-rented.

Asking rent for vacant units higher than the rent paid for occupied units

The average asking rent for vacant units was about 10% higher than the overall average rent for occupied units in the Vancouver CMA (Table 1.1.9). This was significantly lower than the 21% gap observed in 2020, as the average asking rent for vacant units declined in 2021 (Figure 1).

Figure 1: Average rents of vacant and occupied apartments, all bedroom types ($)



Source: CMHC

This result is somewhat unintuitive in a rental market where demand increased, but the difference is due to a change in the composition of vacant units. Vacancy rates declined for units located in central areas such as Downtown. Additionally, vacancy rates for recently completed new units fell from 9.1% in 2020 to 2.3% in 2021.

These developments contributed to fewer high-rent units being vacant, resulting in the average asking rent moving lower.

Supply of purpose-built rental units increased

The universe of purpose-built rental apartments increased by 1,602 units (+1.4%). The increase results from the high number of new rental units started over the past few years now coming to market. Recovering from a low in 2020, rental starts over the first three quarters of 2021 increased 31% year-over-year. This increase signals that new construction will continue to bring much-needed new rental supply to the market in the coming years.

Newly completed units had the highest rents

Table 3.1.7 provides information on the 2021 rental market outcomes of the 7,929 purpose-built rental units completed in the Vancouver CMA over the past three years. Of these, 41% were in the City of Vancouver. No units were brought online in West Vancouver or Richmond during this period.

Units in new structures had higher rents and vacancy rates than units of all ages, though the differences were less pronounced than in 2020 as many new units found tenants. Research shows that new rental supply aids affordability at the regional level as new, higher-priced units free up lower-priced units and ease demand for existing housing.[1] In the Vancouver CMA, average rents for new two-bedroom units ($2,522) exceeded both the asking rent ($2,032) and occupied rent ($1,828) for two-bedroom units of all ages, revealing the significant premium for newer units.

[1] See for example: Mast, Evan. 2019. "The Effect of New Market-Rate Housing Construction on the Low-Income Housing Market." Upjohn Institute Working Paper 19-307. Kalamazoo, MI: W.E. Upjohn Institute for Employment Research. https://doi.org/10.17848/wp19-307

Availability of affordable purpose-built rentals is a challenge for many

The tightening conditions intensified existing imbalances in the Vancouver rental market. Our data shows that lower-income households face significant challenges in finding units that they can afford (Table 3.1.8):

- Less than 1/4 of market purpose-built rental units are affordable to households earning less than $48,000 in annual income.
- Only 1 in 1,000 units are affordable to renter households with the lowest 1/5 of incomes.
- Most of the lowest-priced units are small and unsuitable for families.

Beyond the overall rental market tightening in 2021, these results reinforce that lower-income households, particularly families, face significant imbalances and pressures when accessing rental housing they can afford.

Growth in the number of rental condominium apartments slowed

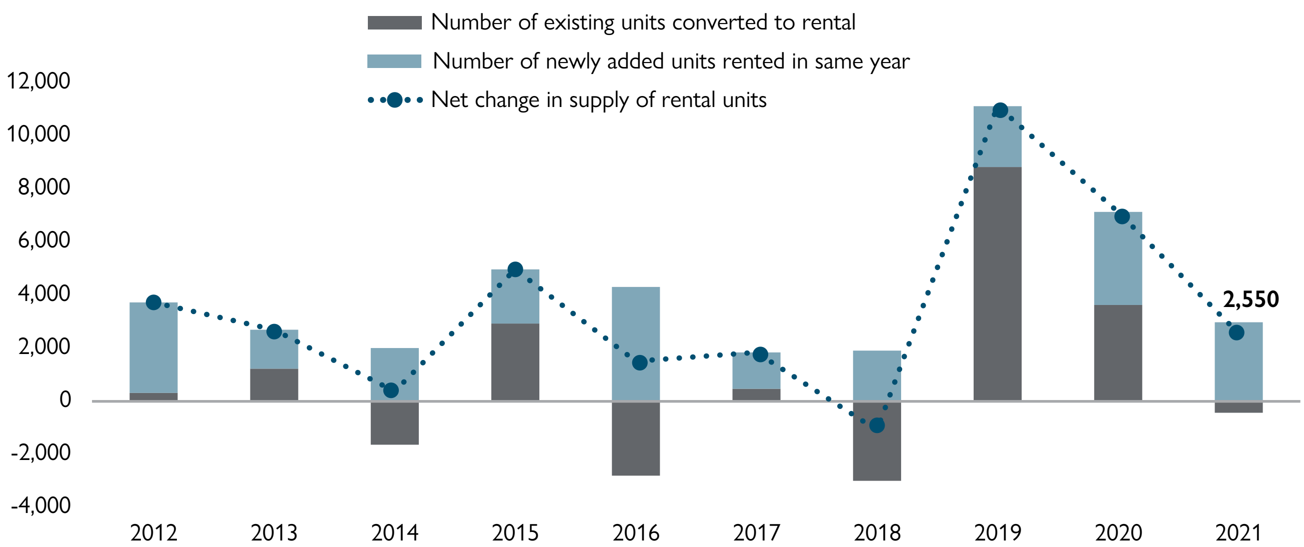
The condominium apartment segment is an important source of rental supply for the region. The number of condominiums in long-term rental increased by 2,550 units (+3.3%) in 2021, representing a slower growth pace than the significant increases in 2019 and 2020. The growth in 2021 resulted entirely from newly constructed units entering the rental market, while there was a net decrease in the number of existing units on the rental market (Figure 2).

These results contrasted the strong conversions of existing condominiums to long-term rental in 2019 and 2020 when property owners adapted to new housing policies designed to encourage long-term rentals.[2] Those interested in repurposing their property to long-term rental have now likely done so. As a result, the entirety of the increase in rented condominiums is now coming from new supply. High owner-occupant demand for condominiums in 2021 also lowered the share of investors renting their units to long-term tenants. The share of newly completed condominiums in the rental market (26.8%) was below that for condominiums of all ages (29.4%).

With rental demand increasing faster than supply, the vacancy rate in the condominium market remained low at 0.8%. After adjusting downwards in 2020, condominium rents recovered sharply in 2021 as units renting to new tenants could command higher rents. The pace of rent growth exceeded that of the purpose-built rental segment, which had not seen the same downward adjustment in 2020.

[2] For additional analysis of the important changes observed in the condominium rental market in 2019, see the CMHC Housing Observer article "Increase in Supply of Rental Condominiums in Vancouver (https://www.cmhc-schl.gc.ca/en/blog/2020-housing-observer/increase-supply-rental-condominiums-vancouver) November 26, 2020.

Figure 2: Components of change in supply of rental condominium apartments



Source: CMHC

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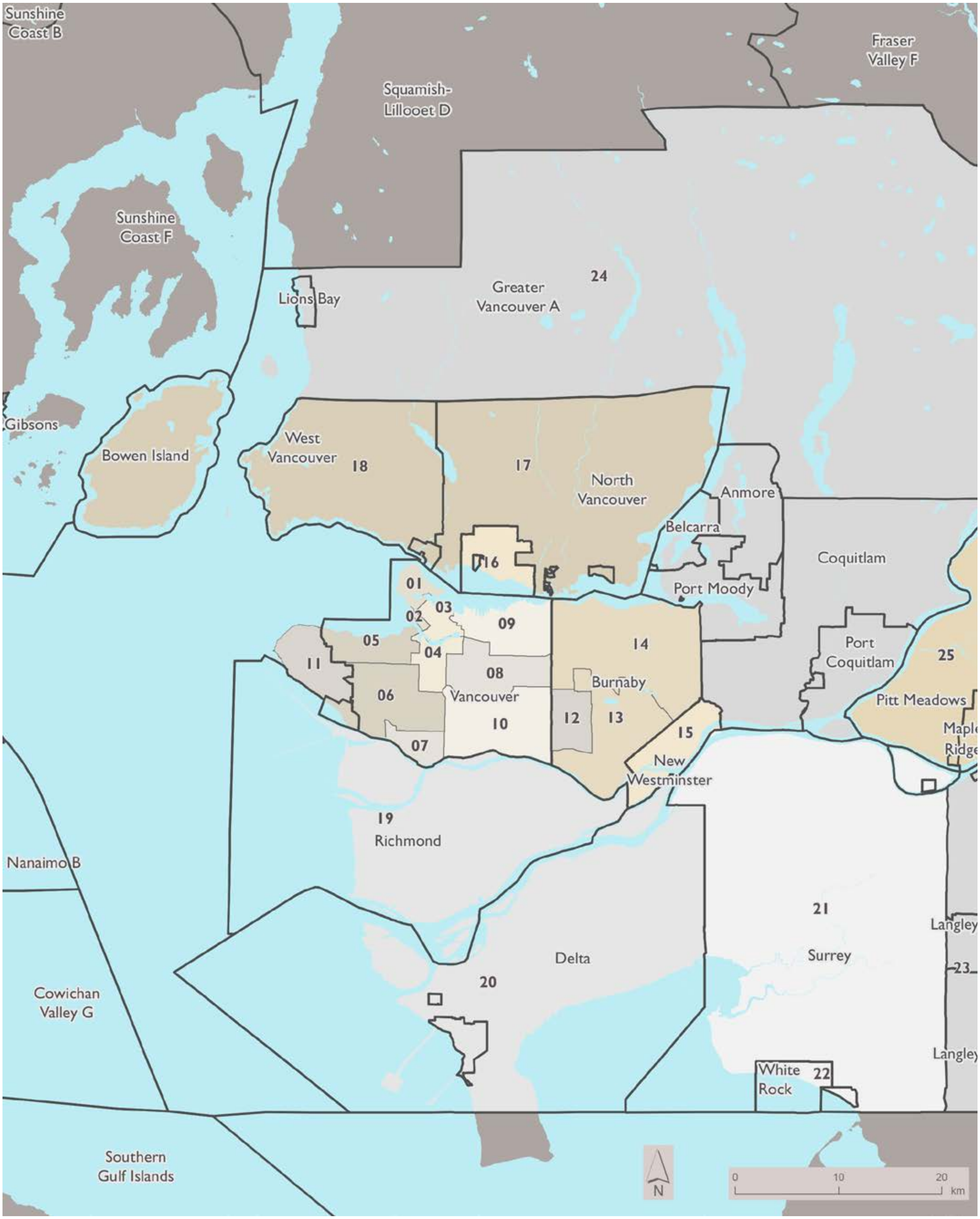
Sunshine Coast B
Squamish-Lillooet D
Fraser Valley F
Sunshine Coast F
Lions Bay
Greater Vancouver A
24
Gibsons
Bowen Island
West Vancouver
18
17
North Vancouver
Anmore
Belcarra
Coquitlam
16
01
Port Moody
02
03
09
05
04
14
11
08
Port Coquitlam
25
06
Burnaby
Vancouver
12
13
Pitt Meadows
10
15
07
New Westminster
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Richmond
Nanaimo B
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Langley
Surrey
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Cowichan Valley G
Delta
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RMS Zone Descriptions – Vancouver CMA

Zone 1	**West End, Stanley Park** is the area between Stanley Park and Denman Street and extends to Coal Harbour to the north and English Bay to the south.
Zone 2	**English Bay** runs along Sunset Beach and English Bay to the south, connects to Davie Street to the North and Burrard Street to the East.
Zone 3	**Downtown** is the remainder of the West End not covered in Zone 1 and 2. Does not include the Downtown Eastside.
Zones 1-3	**West End/Downtown**
Zone 4	**South Granville/Oak** is west of Mount Pleasant and extends south to 33rd Avenue and west to Granville Street. Also includes the Fairview area and contains a section between Broadway to the north and 16th Avenue to the south, Burrard Street to the west and Granville Street to the east.
Zone 5	**Kitsilano/Point Grey** is the area west of South Granville/Oak that extends along 16th Avenue to the University Endowment Land.
Zone 6	**Westside/Kerrisdale** is the area south of Kitsilano/Point Grey and South Granville/Oak, and includes the areas: Kerrisdale, Mackenzie Heights, Dunbar, Shaugnessy and Oakridge.
Zone 7	**Marpole** is an area in South Vancouver that borders south of 57th Avenue between Cambie Street to the east and MacDonald Street to the west, and extends south down to the Fraser River.
Zone 8	**Mount Pleasant/Renfrew Heights** is the area that extends from the Mount Pleasant area to the west to Renfrew Heights to the east, and includes the neighbourhoods of Fraser and Knight. The area boundary to the north is Great Northern Way and Broadway, and roughly 33rd Avenue to the South.
Zone 9	**East Hastings** is the northeast area of Vancouver City, and includes the Downtown Eastside.
Zone 10	**Southeast Vancouver** includes the areas: Killarney, Fraserview, Collingwood and Champlain Heights.
Zones 1-10	**Vancouver City**
Zone 11	**University Endowment Lands** includes both the municipality and University of British Columbia. Note: the Rental Survey does not include student housing.
Zone 12	**Central Park/Metrotown** is the area between Boundary Road to the west and Royal Oak Avenue to the east, Moscrop Street and Gilpin Street to the north and Marine Drive to the south.
Zone 13	**Southeast Burnaby** extends to the border of New Westminster and includes the areas: Edmonds, Middlegate, Buckingham Heights, Deer Lake and Burnaby Lake.
Zone 14	**North Burnaby** is the northern half of Burnaby and includes the areas: Willingdon Heights, Brentwood Park, Capitol Hill, Sperling, Simon Fraser and Lougheed.
Zones 12-14	**Burnaby City**
Zone 15	**New Westminster** is the city boundaries.
Zone 16	**North Vancouver City** is the city boundaries.
Zone 17	**North Vancouver DM** is the district boundaries.
Zone 18	**West Vancouver** is the district boundaries.
Zone 19	**Richmond** is the city boundaries.
Zone 20	**Delta** is the corporation boundaries.
Zone 21	**Surrey** is the city boundaries.
Zone 22	**White Rock** is the city boundaries.
Zone 23	**Langley City** and **Langley DM** includes both the city and township boundaries.

Zone 24	**Tri-Cities** consists of Coquitlam, Port Coquitlam and Port Moody.
Zone 25	**Pitt Meadows/Maple Ridge** is the district boundaries for both municipalities.
Zones 1-25	**Vancouver CMA**

Condominium Sub Area Descriptions – Vancouver CMA

Sub Area 1	**North Shore** includes RMS Zone 16 (North Vancouver City), Zone 17 (North Vancouver DM), and Zone 18 (West Vancouver).
Sub Area 2	**Burrard Peninsula** includes RMS Zone 1 (West End, Stanley Park), Zone 2 (English Bay), and Zone 3 (Downtown).
Sub Area 3	**Vancouver Westside** includes RMS Zone 4 (South Granville/Oak), Zone 5 (Kitsilano/Point Grey), Zone 6 (Westside/Kerrisdale), Zone 7 (Marpole), and Zone 11 (University Endowment Lands).
Sub Area 4	**Vancouver Eastside** includes RMS Zone 8 (Mount Pleasant/Renfrew Heights), Zone 9 (East Hastings) and Zone 10 (Southeast Vancouver).
Sub Areas 3-4	**Vancouver East/Westside includes RMS Zone 4 (South Granville/Oak), Zone 5 (Kitsilano/ Point Grey), Zone 6 (Westside/Kerrisdale), Zone 7 (Marpole), Zone 8 (Mount Pleasant/Renfrew Heights), Zone 9 (East Hastings), Zone 10 (Southeast Vancouver), and Zone 11 (University Endowment Lands).**
Sub Areas 2-3-4	**City of Vancouver**
Sub Area 5	**Suburban Vancouver** includes RMS Zone 12 (Central Park/Metrotown), Zone 13 (Southeast Burnaby), Zone 14 (North Burnaby), Zone 15 (New Westminster), Zone 19 (Richmond), and Zone 24 (Tri-Cities).
Sub Area 6	**Fraser Valley** includes RMS Zone 20 (Delta), Zone 21 (Surrey), Zone 22 (White Rock), Zone 23 (Langley City and Langley D.M.), and Zone 25 (Pitt Meadows/Maple Ridge).
Sub Areas 1-6	**Vancouver CMA**

Victoria

PURPOSE BUILT RENTAL MARKET

Vacancy Rate	Average Two-Bedroom Rent
1%	$1,571
	UP by 3.1%

Data tables from the Rental Market Survey and the Condominium Apartment Survey are available by market by clicking on the link www.cmhc.ca/rental-data-tables

"The Victoria rental market tightened to pre-pandemic conditions due to record migration inflows and a recovery in the job market."

Pershing Sun
Senior Analyst, Economics

MARKET INSIGHTS

HIGHLIGHTS

Vacancies declined to pre-pandemic levels as demand grew for newer units, bachelor units and areas close to schools and downtown Victoria, leading to higher rents and lower turnover.

Record migration to BC, along with a recovering job market, led to greater demand for rental housing, particularly for newer units, despite the rising premium compared to older rentals.

Rental supply growth slowed significantly compared to 2020, particularly in Victoria. This directed demand outside the city to areas with proximity to post-secondary institutions and newer facilities.

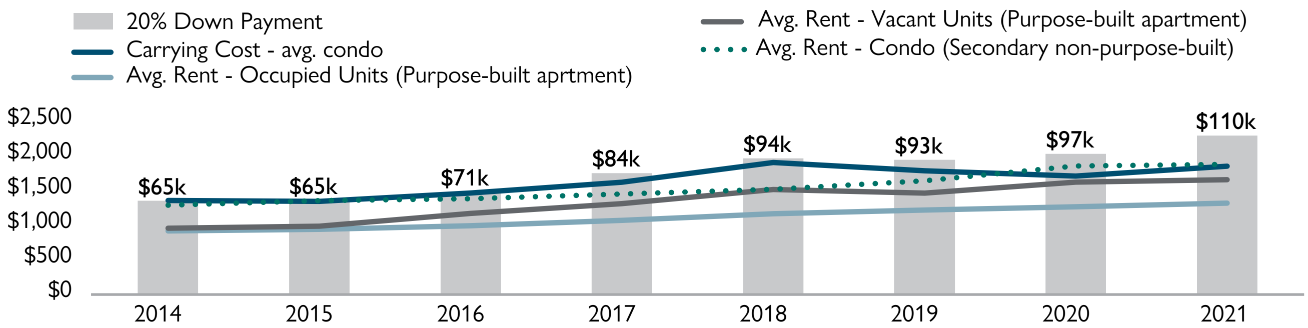
Rental market returned to pre-pandemic conditions

In 2021, the rental market in the Victoria Census Metropolitan Area (CMA) returned to relatively tight conditions seen pre-pandemic. The vacancy rate declined from 2.2% in 2020 to 1% in 2021, lower than the Vancouver CMA. Demand was particularly strong for the following types of units:

- Two-bedroom units (0.8% vacancy)
- Units renting for under $1,400 (under 0.5% vacancy)
- Newer rental units completed after 2018 (0.5% vacancy)
- Bachelor units renting at $1,400 or higher, which saw the sharpest decline in vacancies (9.1% to 3.4%) as students and young workers returned to Greater Victoria.

The same-sample average rent increased by 3% in 2021, slightly slower than 2020. Two-bedroom units continued to experience the most significant rent growth. Rents for vacant units and newer units constructed after 2018 were $300-$400 more expensive than occupied units. Over the past few years, this premium has been expanding (Figure 1) and discouraged long-term renters from moving. The turnover rate declined further in 2021. With the rent freeze in BC ending in 2022, Victoria can expect to see sustained low turnover in the future.

Figure 1: Carrying cost of homeownership and market rent continued to rise



Source: CMHC, VREB, CMHC calculations
Note: Carrying cost is estimated and includes mortgage parymment for a conventional 25 year amortization with a 20% down payment for average price of condominium, but exclude strata fees and taxes.

Different regions experienced various degrees of market tightening. The vacancy rate in the Westshore region dropped to 0.4% this year from 2% in 2020. Popular among university and college students, Saanich saw the sharpest rent hike of 5.6%.

Return to normal increased rental demand

As the vaccine rollout progressed, local social-economic conditions recovered. Between July 2020 and June 2021, more Canadians moved to BC than anywhere else. There was a net inflow of over 34,000 people and a record high since 1994. Many post-secondary students also returned to campuses, creating more demand for rental housing.

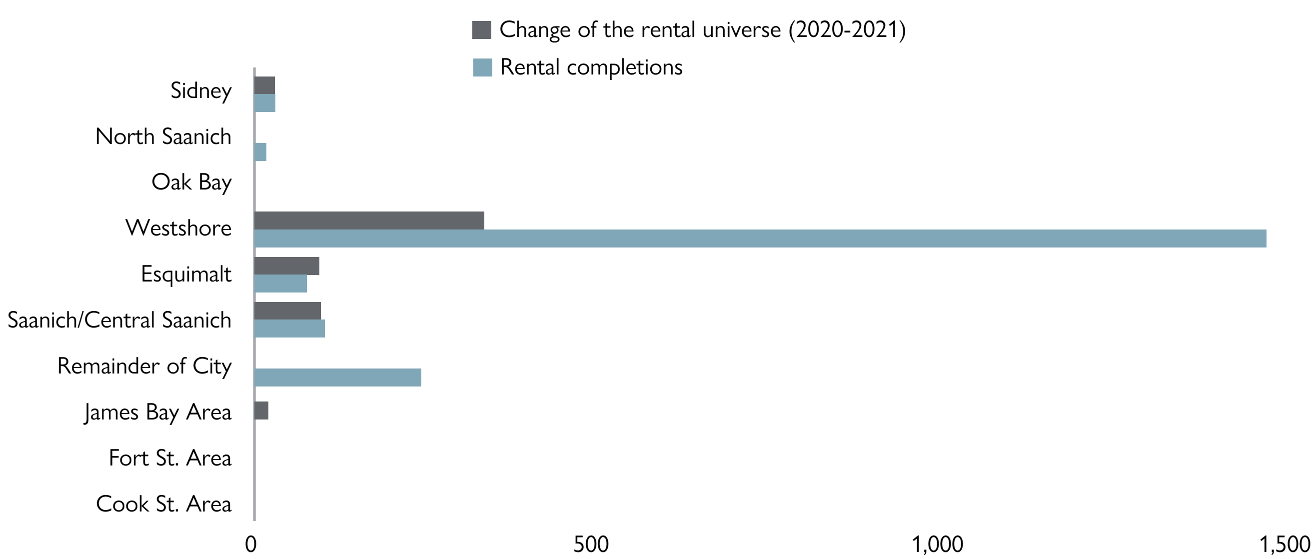
The job market mostly recovered in 2021. The Victoria CMA added 5,600 jobs between January and November 2021. 80% of jobs were full-time employment. The unemployment rate of the 15–24-year-old renter cohort reversed to pre-pandemic levels. One of the hardest-hit sectors, food and accommodation services, recovered about half of the jobs lost in 2020. These economic tailwinds will likely continue to attract more people to Victoria and Vancouver Island, especially given the relatively lower cost of renting compared to the Lower Mainland.

Rental supply growth slowed

The purpose-built apartment universe expanded by about 660 units (2%) in 2021, which was only half of the addition in 2020. The expansion was driven mainly by new supply (rental completions), which increased 10% compared to 2020. New supply was highly localized in a few areas, namely the Westshore, Saanich, and northeast of the City of Victoria. The rental universe in the city centre shrank due to the conversion, demolition and renovation of existing buildings (Figure 2). Among units completed since 2018, 83% were one-bedroom and two-bedroom and over half of them are in the Westshore area.

The number of condominium apartments in long-term rental increased by 100 units in 2021, significantly lower than the addition of 600 units in 2020. With demand resuming and supply growth slowing, Victoria could see additional tightening in the rental market.

Figure 2: Rental supply growth slowed in urban areas



Source: CMHC
Note: Rental completions refers to cumulative completion from July 2020 to June 2021, which is the same time frame covered by the 2021 Rental Market Survey.

Rental affordability and suitability challenging for lower-income households

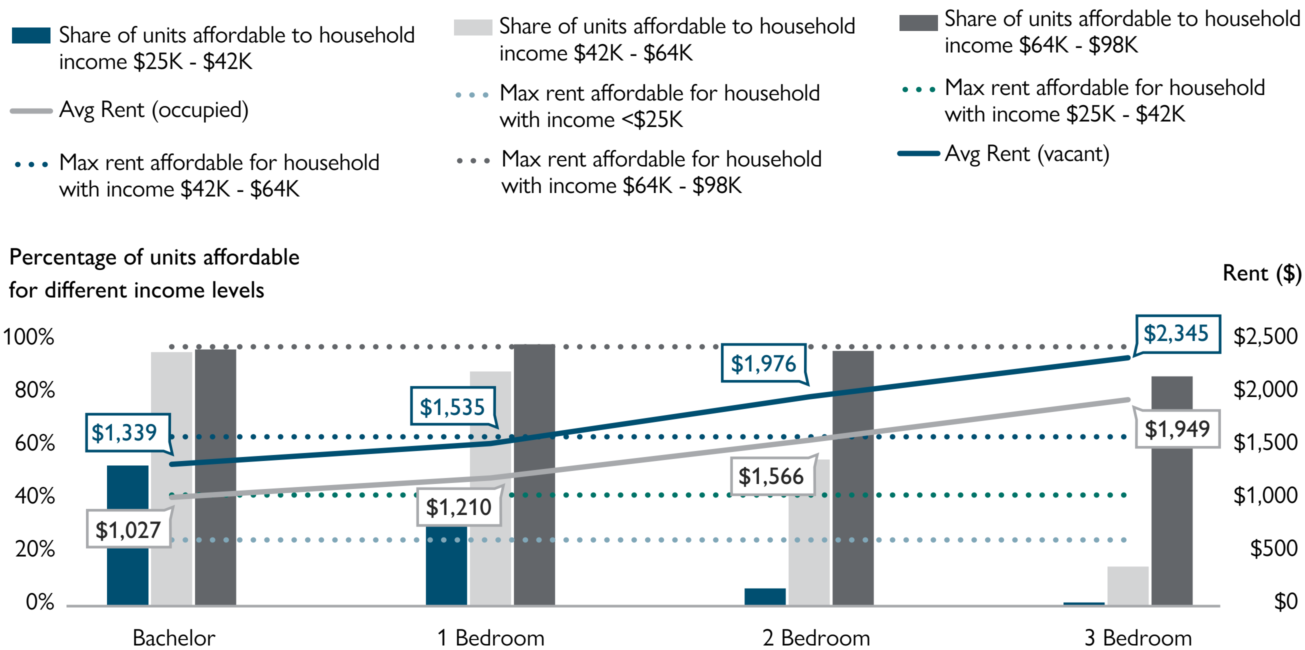
Our data shows that rental affordability continued to be a challenge for many renter households (Figure 3).

Households with less than $42,000 annual income cannot affordably rent a bachelor unit. The asking rent is $350 higher than their affordable level. Similarly, households with less than $64,000 annual income would have to spend $400 more than their affordable level to find a vacant two-bedroom unit. Affordable two-bedroom units are in high demand for these households, with a 0.2% vacancy rate.

Households with higher incomes have relatively more affordable options, but competition for larger units remains high. Three-bedroom units affordable to households with less than $98,000 were only 0.6% vacant. (Table 3.1.8)

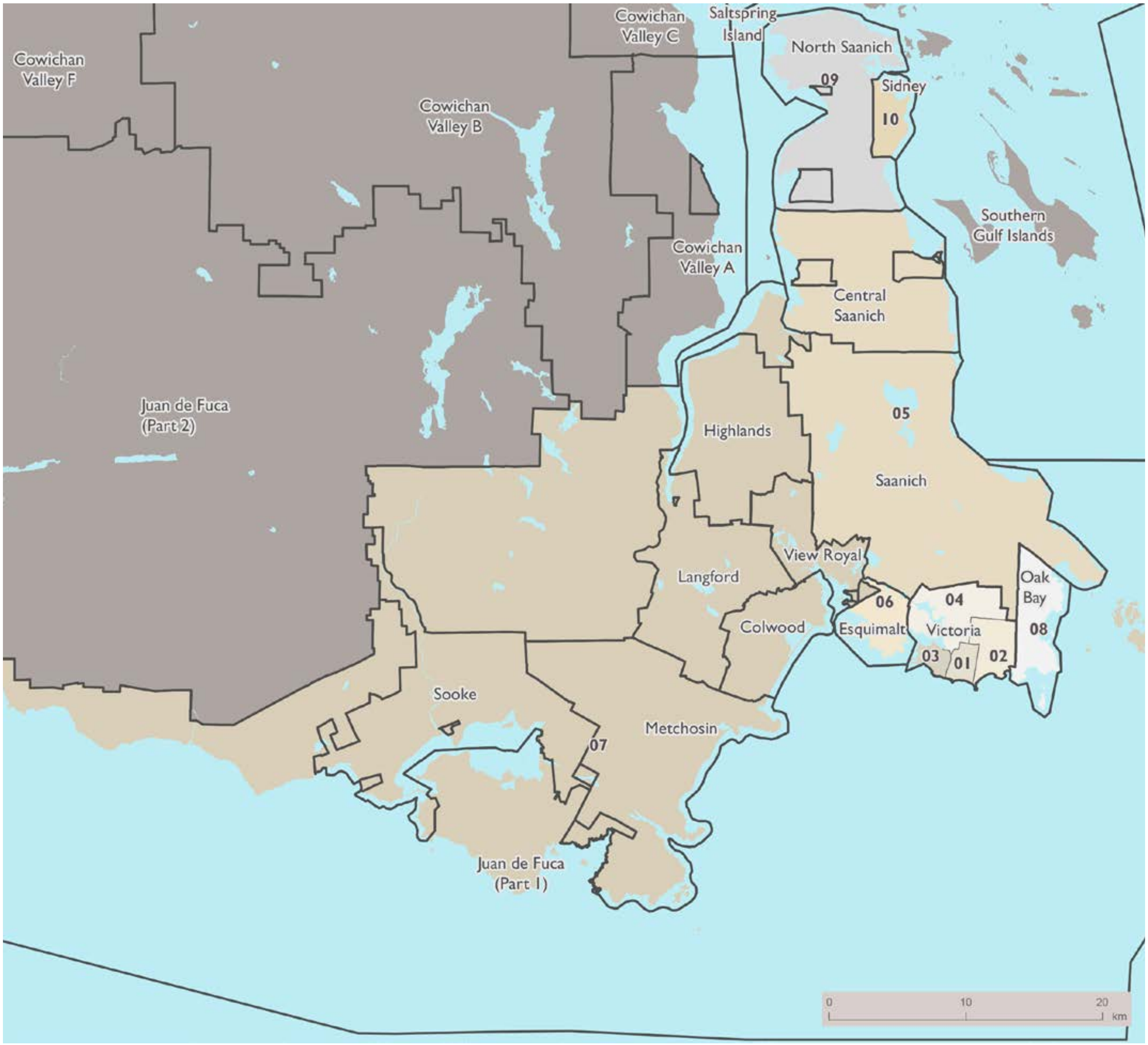
The majority of rental households, especially low-income households, remain in dire need of affordable and suitable rental housing. (Figure 3.)

Figure 3: Market rents remain above the affordable level for most households



Source: CMHC. Rental Market Survey 2021 Table 3.1.8.
Note: Average rent include apartment and townhouse in the purpose-built rental universe (Table 3.1.9). Survey results on market rentals afforable for household with income <$25k is suppressed as data is not statistically reliable. Cumulative share of affordable rental units maybe lower than 100% because data of parts of rental universes is suppressed as data is not statistically reliable.

Download the Excel data table (XLSX) for this market. Data tables for all markets are also available for download at cmhc.ca/rental-market-report-data.



RMS Zone Descriptions – Victoria CMA

Zone 1	**Cook St. Area** - includes Fairfield and Rockland neighbourhoods - bounded on west by Douglas St., on north by Fort St. and on east by Moss St.
Zone 2	**Fort St. Area** - includes Fernwood neighbourhood - bounded on west by Cook St., on north by Bay St. and on east by City of Victoria boundary.
Zone 3	**James Bay Area** - bounded on east by Douglas St.
Zone 4	**Remainder of City** - includes downtown core, Victoria West, Hillside and Jubilee neighbourhoods - bounded on east by Cook St. and on south by Bay St.
Zones 1-4	**City of Victoria**

Zone 5	**Saanich/Central Saanich**
Zone 6	**Esquimalt**
Zone 7	**Langford/View Royal/Colwood/Sooke**
Zone 8	**Oak Bay**
Zone 9	**North Saanich**
Zone 10	**Sidney**
Zones 5-10	**Remainder of Metro Victoria**
Zones 1-10	**Victoria CMA**

Condominium Sub Area Descriptions – Victoria CMA

Sub Area 1	**City of Victoria** includes RMS Zone 1 (Cook St. Area); Zone 2 (Fort St. Area); Zone 3 (James Bay Area) and Zone 4 (Remainder of City).
Sub Area 2	**Remainder of Metro Victoria** includes RMS Zone 5 (Saanich/Central Saanich); Zone 6 (Esquimalt); Zone 7 (Langford/View Royal/Colwood/Sooke); Zone 8 (Oak Bay); Zone 9 (North Saanich) and Zone 10 (Sidney).
Sub Areas 1-2	**Victoria CMA**

Edmonton

PURPOSE BUILT RENTAL MARKET

Vacancy Rate

7.3%

Average Two-Bedroom Rent

$1,270

DOWN by 0.5%

CONDOMINIUM APARTMENT MARKET

Vacancy Rate

5.3%

Average Two-Bedroom Rent

$1,412

Data tables from the Rental Market Survey and the Condominium Apartment Survey are available by market by clicking on the link www.cmhc.ca/rental-data-tables

"Important increases in both new rental supply and occupancy kept the Edmonton apartment vacancy rate stable in 2021."

Taylor Pardy
Senior Specialist

MARKET INSIGHTS

HIGHLIGHTS

The purpose-built rental apartment vacancy rate was 7.3% in October 2021, statistically unchanged from October 2020. Rental demand kept pace with supply increases backed by improved labour market conditions, return of students and improvement in international migration.

Stability in the vacancy rate resulted from both record growth in the purpose-built universe and record increase in occupancy based on data dating back to 1990.

Same-sample apartment rents decreased slightly. Higher vacancies placed downward pressure on rent levels and landlords continued to offer incentives to attract tenants.

Turnover increased, with higher vacancies, lower rents and comparable carrying costs for entry-level ownership options likely contributing.

An adequate supply of affordable purpose-built rental options continues to be a challenge for lower-income households, albeit less so than other largest CMAs in Canada.

Vacancy rate remained stable

The purpose-built rental apartment vacancy rate in the Edmonton Census Metropolitan Area (CMA) remained stable at 7.3% in 2021, remaining statistically unchanged from the previous year (Table 1.1.1). Stability in the apartment vacancy rate resulted from record growth in both occupancy and the size of the rental universe.[1] Among unit types, vacancy rates for one-bedroom and three-bedroom+ units saw statistically significant increases in 2021, while the vacancy rate for bachelor suites remained unchanged. Meanwhile, the vacancy rate for two-bedroom apartment units declined despite a considerable increase in the universe, signalling strong demand.

Vacancy rates declined in the Edmonton Core area, particularly in the University zone, as in-person classes resumed in the fall of 2021 in post-secondary institutions. However, with immigration and the influx of non-permanent residents remaining below pre-pandemic levels, indications are that the restricted inflow of international students remains a key challenge to multi-unit operators.

Same-sample apartment rents decreased slightly by 0.2% in 2021, relative to the prior year when the rent change was not statistically different from zero (Table 1.1.5). This likely results from higher turnover due to the significant growth in the apartment rental universe sustaining a high overall vacancy rate. As a result of sustained high vacancies and lower rents, rental owners and operators are using both cash and non-cash incentives to drive occupancy. These incentives include:

- one or two months free rent
- retail gift cards
- free or marked-down utilities
- move-in bonuses

Condominium rental market conditions saw little change in 2021 (Table 4.1.1). The vacancy rate in condominium rental apartments was statistically unchanged relative to the previous year at 5.3% but remained lower than the purpose-built rental market.

[1] Despite an increase in the apartment rental universe of 3,710 units, the largest increase in decades based on data going back to 1990, the number of occupied units grew by approximately 3,367 over the past year. This was also the largest single year increase in occupancy in Edmonton based on CMHC data going back to 1990.

The condominium rental apartment universe expanded at a slower rate than the purpose-built rental market. New apartment condominium construction has slowed significantly since the onset of the pandemic, while the inventory of completed and unsold apartment condominiums remains elevated.

Additionally, the purpose-built apartment rental universe has expanded significantly, and new construction continues to be strong despite higher vacancies, which provides less incentive to expand the condominium rental apartment pool. Nevertheless, the average rent for a condominium rental apartment was $1,290 in 2021, an overall average premium of $132 relative to the purpose-built rental market (Table 4.1.3).

Labour market recovered rapidly, but population flows remain a concern

Total employment in the Edmonton CMA improved significantly in October 2021 compared to one year earlier, increasing 9%. Total employment was roughly 1.4% above pre-pandemic levels. By October 2021, the number of people with full-time employment had fully recovered to levels on par with January 2020. Approximately 74% of jobs created over the past year were full-time. In addition to the broader labour market recovery, employment conditions improved for key cohorts that drive rental market demand. Total and full-time employment amongst individuals aged 15 to 24, fully recovered to pre-pandemic levels by October 2021.

Despite the recovery in overall employment and full-time work, labour market conditions have additional room to improve. The participation rate in the Edmonton CMA has not recovered to pre-pandemic levels, which implies that the recovery in the unemployment rate to pre-pandemic levels shown in the data is artificially low. Assuming the participation rate was the same as January 2020, it would show a higher unemployment rate from workers still out of the labour force. It is possible that some of these individuals have not yet returned to work in industries hardest since the pandemic and are not fully recovered, such as the accommodations and food service industry and the energy and manufacturing industries.

Pandemic-induced disruptions to population flows also remain a concern for sustained rental demand. Despite net-international migration into Alberta increasing 60% in the second quarter of 2021 relative to one year earlier, the rate remained considerably lower than historical levels.[2] While some recovery in net-international migration likely provided support for rental demand, it is likely well below the demand typically created via this source of population growth. However, other consistent sources of population growth in Edmonton include natural increases and net gains in migration of people from elsewhere in Alberta to the Edmonton area. These sources have historically been more positive in times of economic uncertainty.

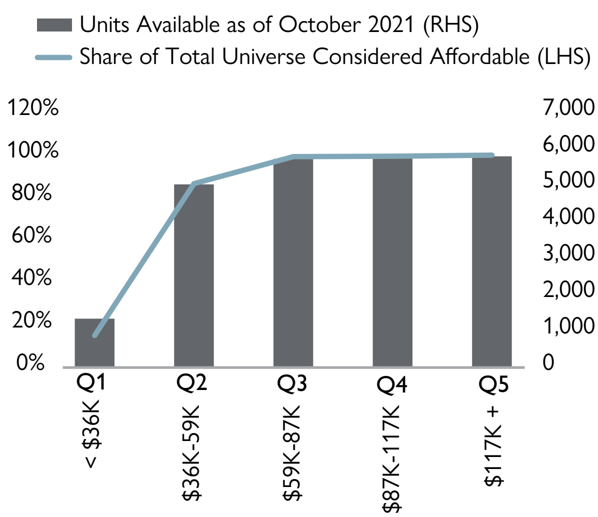
Affordable rentals are challenging for lower-income households

To provide more information on the affordability of the purpose-built rental stock, CMHC examined the rental universe by the number of units within the range of rents that would be affordable to each quintile of the renter income distribution (Table 3.1.8). Our data shows that affordability challenges are particularly acute for households earning less than $36,000 in the Edmonton CMA, as they can affordably access just 15% of the total purpose-built rental universe.[3] However, for households earning between $36,000 and $59,000, potential affordable access for purpose-built rentals increases significantly to 87% of the universe, highlighting the specific challenges lower-income households face relative to mid- and high-income households (Figure 1).

[2] Prior to the pandemic, international migration into the Edmonton area was the most significant source of population growth, with natural increases and intraprovincial migration being the second and third largest sources. Natural and intraprovincial migration into Edmonton remain key sources of ongoing population growth.

[3] The terminology "potential access" is used due to the fact that not all of the purpose-built rental stock is going to be available at any given time and may already be occupied. This point is clarified further in discussions about available units at the time of the survey based on the vacancy rate.

Figure 1: Cumulative proportion of market purpose-built rental universe affordable to each quintile of the renter household income distribution



Source: CMHC, Statistics Canada, CMHC calculations
Note: Rent ranges are calculated at the affordability threshold of 30% of monthly income for each quintile. Renter household income (non-subsidized, all household sizes) was derived from the 2016 Census and expressed in 2021 dollars.

The number of available units is also of interest. Only 1,341 units were available for rent for the lowest household income quintile, representing roughly 23% of the total purpose-built rental universe available for rent. In contrast, there were 5,080 units available for rent (87% of total) that were affordable to the second income quintile, illustrating the additional challenges faced by households with the lowest incomes.

Vacant unit asking rents lower than rents paid in occupied units

The average asking rent for vacant units in the Edmonton CMA was estimated to be 3.8% lower than the overall average rent for occupied units (Table 1.1.9). Gaps in the overall average and across bedroom types suggest that prospective tenants' market rents have been seeing downward pressure due to persistent higher vacancies. As a result, prospective tenants and those who already occupy units may be more willing to move to better their housing situation. The turnover rate, which saw a significant increase in 2021 to roughly 28% from 25% in 2020, offers some confirmation of this trend. Additionally, both cash and non-cash incentives offered to prospective tenants may be attracting existing renters to move.

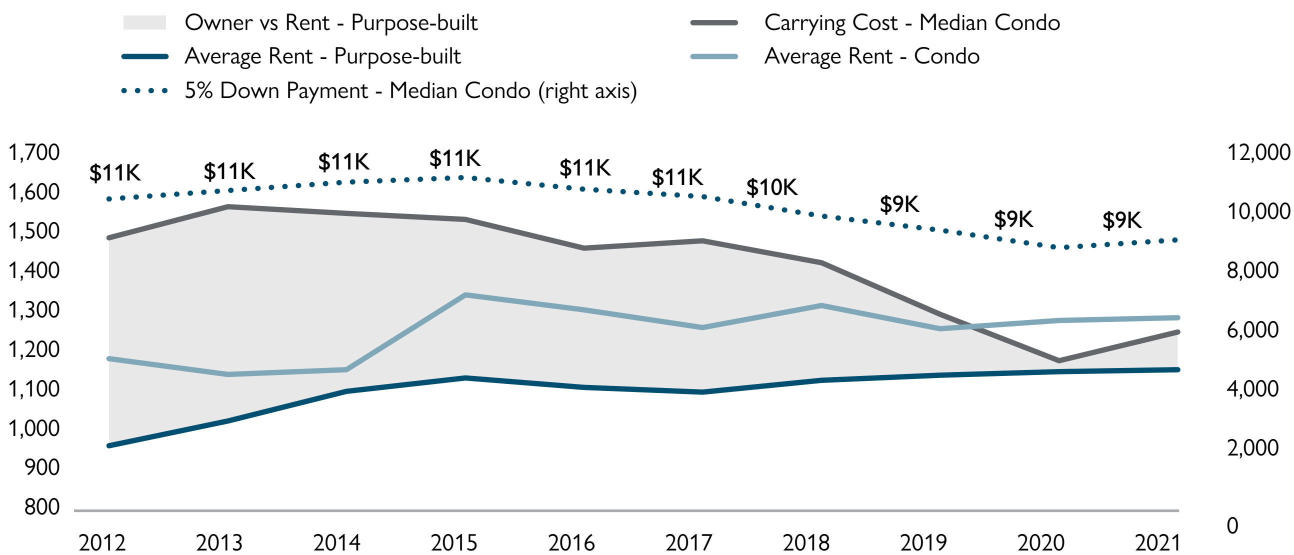
Carrying cost gap between ownership and rental options converged

The potential for existing tenants moving into homeownership is another plausible explanation for the increase in the turnover rate. In the Edmonton CMA, the carrying cost of entry-level ownership options has been slowly declining for the past 5 years. It has converged to fall between average rent levels in the purpose-built and condominium rental markets since 2020 (Figure 2). Declining MLS® Median Prices for apartment condos since 2015, combined with lower mortgage interest rates, have resulted in the carrying cost premium for entry-level ownership being completely eroded. As a result, the main barrier to access entry-level ownership is the down payment requirement, which would be slightly more than $9,000.[4]

[4] Note that our calculations do not factor in certain aspects of the purchase process like moving or closing costs/fees, however, these are important figures to consider on top of the down payment.

Sales of units under $200,000 and between $200,000 and $300,000 have increased since the onset of the pandemic. As a result, it is reasonable to assume that some turnover in the rental market may have been due to some households choosing to move into ownership.[5] The availability of listings under $300,000 in Edmonton is high, 52% of which are properties listed under $200,000. Many of these properties could be viable alternatives for those in the first renter household income quintile (Figure 3). Notably, options for affordable market rental and ownership in other large CMAs such as Vancouver and Toronto are significantly more scarce.

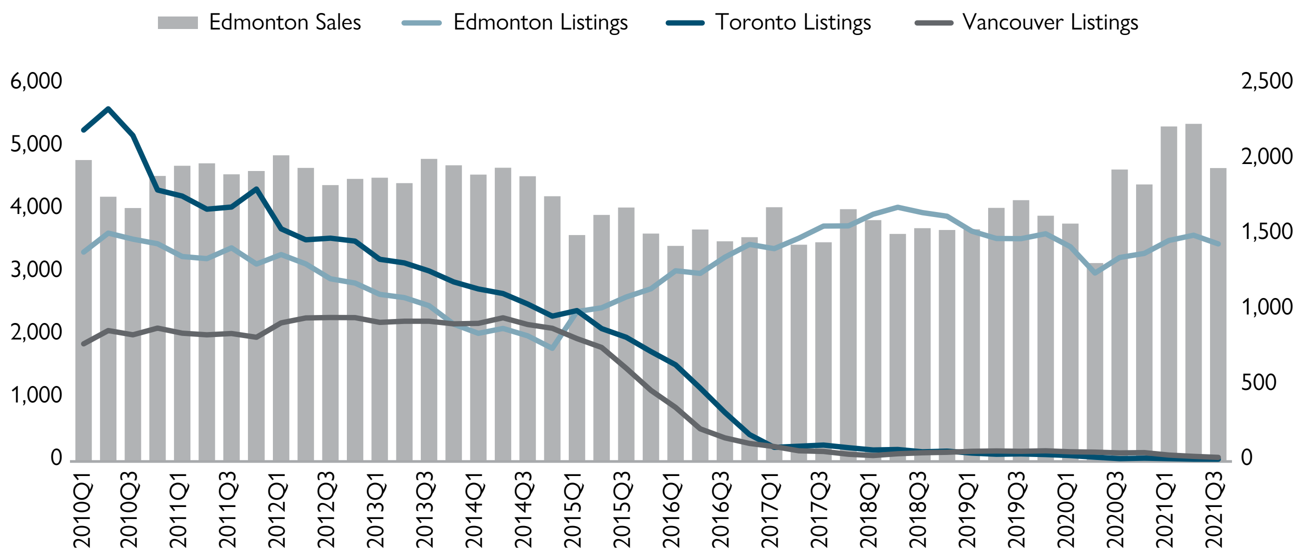
Figure 2: Monthly rent and carrying cost of ownership



Source: CMHC, Canadian Real Estate Association (CREA), Tangerine, CMHC calculations
Note: Calculations for the carrying cost of condo ownership assume a 25-yr amortization, discounted 5-year mortgage rate and takes into consideration monthly property taxes, strata fees, CMHC MLI premiums.

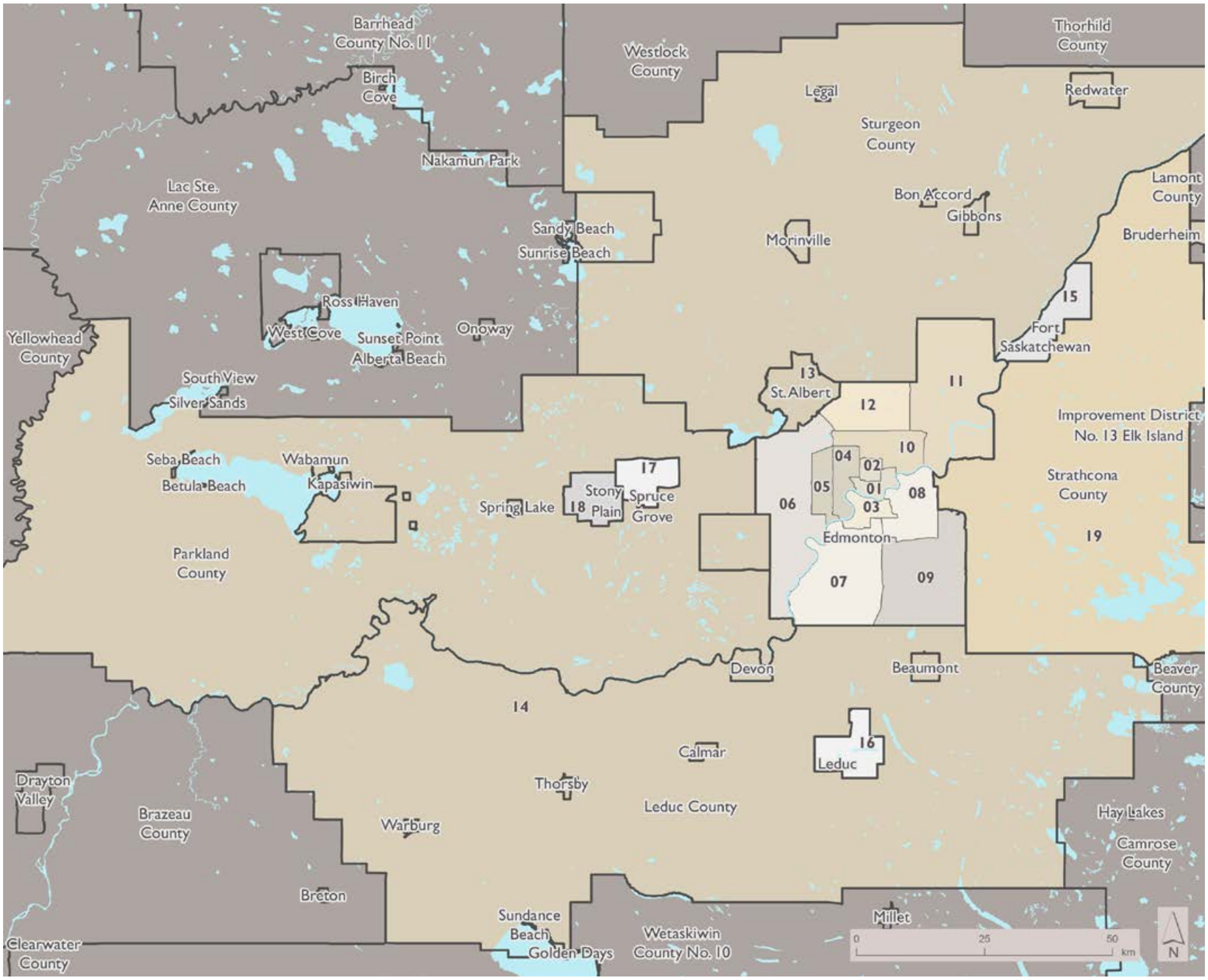
[5] Equifax data also lends support to this assertion showing that the trend in new mortgage originations, among those who did not previously hold a mortgage, has been trending strongly upward since the onset of the pandemic. Particularly relevant to the context of movement from rental to ownership, new mortgage originations amongst those younger than 24 years as well as those between age 25 and 34 have trended upward significantly as well.

Figure 3: MLS sales and comparison of active listings, properties under $300,000 (Edmonton, Vancouver, Toronto)



Source: Canadian Real Estate Association (CREA)
Note: Geographies refer to Census Metropolitan Areas, sales and listings trends for properties under $300,000.

Download the Excel data table (XLSX) for this market. Data tables for all markets are also available for download at cmhc.ca/rental-market-report-data.



RMS Zone Descriptions – Edmonton CMA

Zone 1	**Downtown -** North: 112 Ave NW, 104 Ave NW, 107 Ave NW; East: North Saskatchewan River; West: Connaught Dr NW; South: North Saskatchewan River.
Zone 2	**Hudson Bay Reserve** - North: 118 Ave NW; East: 101 St NW, 97 St NW; West: 120 St NW; South: 105 Ave NW.
Zone 3	**University** - North: North Saskatchewan River; East: 91 St NW, 95a St NW, 97 St NW; West: North Saskatchewan River; South: 61 Ave NW, 72 Ave NW
Zone 4	**West Central** - North: Yellowhead Trail NW, East: 121 St NW, Connaught Dr NW; West: 149 St NW; South: North Saskatchewan River.
Zones 1-4	**Edmonton Core**
Zone 5	**Jasper Place** - North: Yellowhead Trail NW; East: 149 St NW; West: 170 St NW; South: Whitemud Dr NW, North Saskatchewan River.
Zone 6	**West Jasper Place** - North: 137 Ave NW, Big Lake; East: 149 St NW, 170 St NW; West: 231 St NW, Winterburn Rd; South: North Saskatchewan River.

Zones 5-6	**West**
Zone 7	**South West** - North: 72 Ave NW, 60 Ave NW; East: Gateway Blvd NW; West: North Saskatchewan River; South: 41 Ave SW.
Zone 8	**East Central** - North: North Saskatchewan River; East: 34 St NW; West: Gateway Blvd NW, 91 St NW, 95a St NW, 97 St NW; South: Whiemud Dr NW, 51 Ave NW.
Zone 9	**Millwoods** - North: Sherwood Park Fwy, Whitemud Dr NW, 51 Ave NW; East: Meridian St NW; West: Gateway Blvd NW; South: 41 Ave SW.
Zone 7-9	**South**
Zone 10	**North Central** - North: 137 Ave NW; East: 50 St NW; West: 149 St NW, 121 St NW; South: 112 Ave NW, North Saskatchewan River.
Zone 11	**North East** - North: 259 Ave NW; East: 33 St NE, North Saskatchewan River; West: 66 St NW, 50 St NW; South: North Saskatchewan River
Zone 12	**Castledown** - North: Township Road 542; East: 66 St NW; West: Vaness Rd, Arbor Cres, Mark Messier Trail; South: 137 Ave NW.
Zones 10-12	**North**
Zones 1-12	**City of Edmonton**
Zone 13	**St. Albert** - North: Township Road 544; East: Range Road 253, Bellrose Dr, Poundmaker Rd, Vaness Rd; West: Range Road 260, Range Road 260A; South: Big Lake, 137 Ave NW.
Zone 14	**Outlying Areas**
Zone 15	**Fort Saskatchewan** - North: Township Road 554; East: Range Road 220, Range Road 223, Range Road 224, West: North Saskatchewan River; South: Range Road 225.
Zone 16	**Leduc** - North: Airport Rd; East: Range Road 225; West: Range Road 254; South: Township Road 492.
Zone 17	**Spruce Grove** - North: Hwy 16; East: Range Road 271; West: Range Road 275; South: Hwy 628.
Zone 18	**Stony Plain** - North: Between Township Road 532 and Hwy 16a; East: Range Road 275; West: Allan Beach Rd; South: Between Hwy 628 and Township Road 522.
Zone 19	**Strathcona County** - North: North Saskatchewan River; East: Range Road 205, 204, 203, 210, 202; West: Range Road 220, North Saskatchewan River, 34 St NE, Meridian St NW; South: Township Rd 510.
Zone 14-19	**All Outlying Areas**
Zones 1-19	**Edmonton CMA**

Condominium Sub Area Descriptions – Edmonton CMA

Sub Area 1	**Central** includes RMS Zone 1 (Downtown); Zone 2 (Hudson Bay Reserve); Zone 3 (University); Zone 4 (West Central); Zone 5 (Jasper Place); and Zone 10 (North Central).
Sub Area 2	**Suburban** includes RMS Zone 6 (West Jasper Place); Zone 7 (South West); Zone 8 (East Central); Zone 9 (Millwoods); Zone 11 (North East); and Zone 12 (Castledowns).
Sub Area 3	**Other Metro** includes RMS Zone 13 (St. Albert); Zone 14 (Outlying Areas); Zone 15 (Fort Saskatchewan); Zone 16 (Leduc); Zone 17 (Spruce Grove); Zone 18 (Stony Plain); and Zone 19 (Strathcona County).
Sub Areas 1-3	**Edmonton CMA**

Calgary

PURPOSE BUILT RENTAL MARKET	
Vacancy Rate	Average Two-Bedroom Rent
5.1%	$1,355
	FLAT

CONDOMINIUM APARTMENT MARKET	
Vacancy Rate	Average Two-Bedroom Rent
4.2%	$1,524

Data tables from the Rental Market Survey and the Condominium Apartment Survey are available by market by clicking on the link www.cmhc.ca/rental-data-tables

"Calgary's rental market bounced back with stronger economic and employment conditions throughout 2021 while rental supply grew at a faster pace."

Michael Mak
Senior Analyst, Economics

MARKET INSIGHTS

HIGHLIGHTS

The purpose-built apartment vacancy rate dropped to 5.1% as economic conditions strengthened.

The average rent level remains stable at $1,222 as non-price rental incentives decrease.

Newer units can see an average of 30-60% price premiums over existing supply.

New additions in the Beltline and Northwest zone saw the most substantial purpose-built rental universe growth from buildings returning to the market.

Vacancy rates decreased but remained elevated above pre-pandemic levels

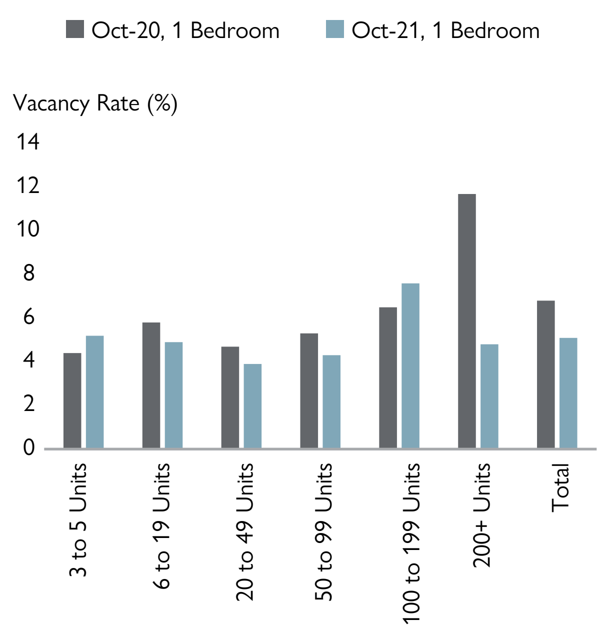
Rental vacancies in the Calgary CMA (Census Metropolitan Area) lessened considerably in 2021, with average vacancies falling to 5.1% from 6.6% in 2020 (Table 1.1.1). However, this decrease was not consistent across the CMA, with some outer zones decreasing more than the city centre. Notably, in the Downtown and Beltline zones, which account for 37% of Calgary's rental supply, vacancy rates were 7.5% and 4.3%, respectively.

Vacancy rates were not only affected by demand but also by growth in rental supply. For example, in the Beltline, the vacancy rate saw a significant decline despite the rental universe increasing by 600 units, indicating more robust rental demand.

The demand for newer and centrally located structures was also evident this year, as units in structures of over 200 units saw vacancy rates decline to 4.6%, relative to 10.4% in 2020 (Table 1.3.1). The return of workers and employment to the city centre also helped drive demand for one-bedroom units in 200+ unit structures. These one-bedroom units saw vacancy rates decline to 4.8%, relative to 11.7% one year earlier (Figure 1). In 2020, a weaker labour market drove down demand for newer, more expensive apartment units, with units built after 2005 seeing a 10.1% vacancy rate. The recovery of Calgary's employment in 2021 contributed to a decline in vacancy rates to 6.7% for the same cohort, the largest decrease among all building age brackets (Table 1.2.1).

However, structures built post-2005 still saw the highest overall vacancy rate, likely due to new units coming to market still being in their absorption phase.

Figure 1: Stronger demand seen for 1-bedroom units in large structures



Source: CMHC

Economic resurgence supported stronger rental demand but muted by migration flows

Employment and economic conditions in the Calgary CMA have mostly recovered since the beginning of the COVID-19 pandemic. Since October 2020, a recovery in the energy industry, a resumption of international trade, and sustained re-opening policies have supported employment and population growth. As a result, total employment levels in October 2021 have returned to pre-pandemic levels, with both full-time and part-time employment nearing October 2019 measurements. In addition, unemployment continues to trend lower after peaking in July 2020, but the unemployment rate is still somewhat elevated above pre-pandemic levels at 8.4% in October 2021.

Not all sectors of the economy have recovered to pre-pandemic levels. Sectors with the largest employment exceed those levels, while smaller sectors such as Food and Accommodations, continue to lag. However, jobs classified under Wholesale and Retail Trade and Health Care and Social Assistance rose beyond their levels in October 2019, climbing higher than 2020.[1] Professional, Scientific, and Technical Services also showed steady job gains as economic conditions stabilized throughout the year.[2]

Significant employment growth in the 15-24 age cohort has bolstered rental demand since October 2020.[3] Total employment in this cohort increased throughout the year approaching pre-pandemic levels. However, while the unemployment rate is lower by 5.7% compared to October 2020, it is still slightly above the rate registered in October 2019.

International travel resumed with the loosening of pandemic measures and border re-openings in 2021, allowing for gains in net international migration in Alberta relative to its trough in early 2020. However, net international migration is still well below pre-pandemic levels and was insufficient to balance out the province's interprovincial outflow. As a result, Alberta saw another quarter of negative net migration, the third since the pandemic began.[4] In addition, despite a stronger labour market, negative net migration hindered rental vacancies. Other consistent sources of population growth in Calgary include both natural increases and intraprovincial migration.

Same-sample rental rates stable as demand increased together with supply

Changes to same-sample rents saw negligible differences compared to October 2020 (Table 1.1.5). Rather than changing their rent levels, purpose-built rental market building managers continue to use non-price incentives to drive rental demand. These incentives include:

- discounts or free utilities
- local amenities such as fitness centres and concierge services
- lower deposit fees

Despite their continued use, local evidence suggests these measures offer less value as rental demand increases.

However, with newer units taken into account, average rent levels have increased in the Calgary CMA, notably in Bachelor and three-bedroom+ units, where observed rent levels are higher by 4%. The most significant increases in rent levels were observed closer to the city centre in the Downtown and North Hill zones.[5]

Data on the profile of newer rental stock is available in this year's iteration of the Rental Market Survey.[6] With an overall average rent of $1,692, newer purpose-built rental units have a significant (38%) premium over the average unit in Calgary (Table 3.1.7). The premium over average reflects the composition of Calgary's rental stock, with 58% of structures in the universe being more than 40 years old. Affordability is becoming more problematic as older, lower-priced units are being replaced by newer, more expensive units that include price increases of 30% to 60% (Figure 2).

[1] Wholesale and Retail Trade saw an employment increase of approximately 7,900 persons compared to 2020, and 11,400 persons compared to 2019. Health Care and Social Assistance saw a gain of 8,400 persons since 2020, and 6,300 persons since 2019.

[2] The "Wholesale and Retail Trade", "Health Care and Social Assistance", and "Professional, Scientific, and Technical Services" sectors are the first, second, and third largest employment sectors in Calgary.

[3] According to the 2016 census, 78% of the households in the Calgary CMA with their primary maintainer aged between 15-24 were considered to be renters. Source: Statistics Canada, Catalogue Number: 98-400-X201622.6.

[4] Source: Statistics Canada, Tables 17-10-0020-01, 17-10-0040-01.

[5] The Downtown zone increased by 6%, while North Hill average rents increased by 8%. These increases were mostly driven by higher prices in 2-bedroom units.

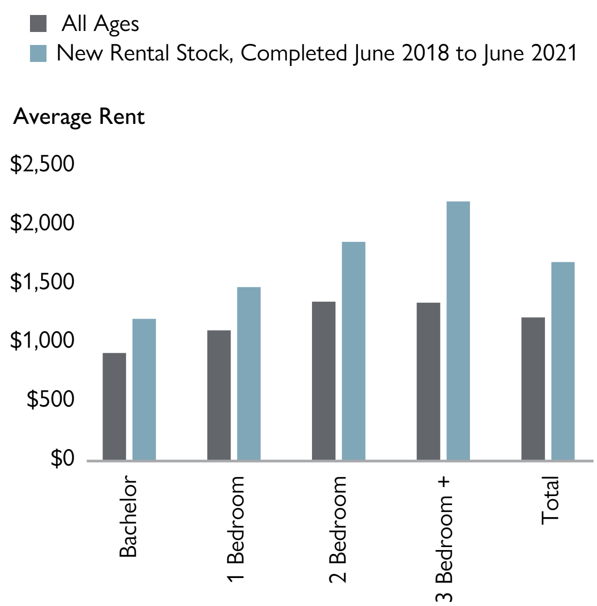
[6] This data separates out structures completed between July 2018 and June 2021.

Purpose-built rental universe growing at a faster than average pace

The rental universe continued to grow in Calgary, with a higher-than-average increase in the purpose-built rental apartment universe. The apartment rental universe grew by 6.5% or 2,278 units compared to 3.2% last year, as under-construction rental projects from previous years came onto the market (Table 1.1.3). While over 90% of the additions to the rental universe were 1-bed and 2-bedroom units, bachelor units also grew by 9% this year.[7]

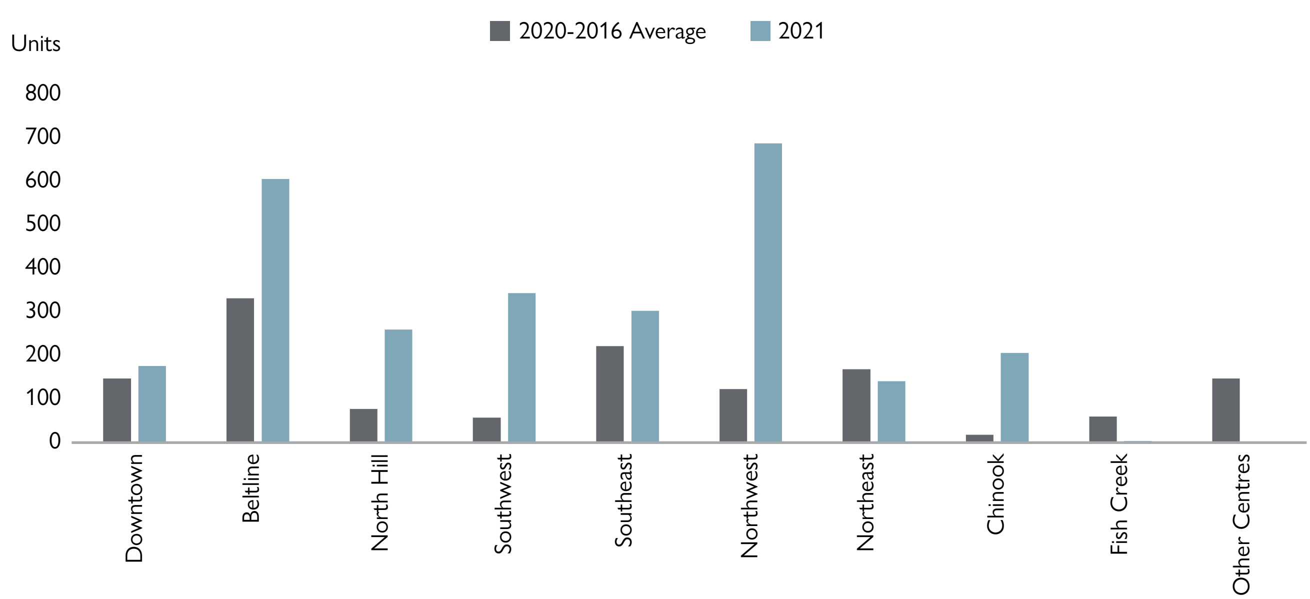
Growth in the Chinook area was especially prominent in 2021, as the zone saw its first significant net addition to supply in over ten years. Rental supply growth was also strong in the Southeast and Northwest zones. The Northwest zone now contains more purpose-built apartment rental units than the Downtown zone[8] (Figure 3). On a percentage basis, the Southeast zone continued to record the fastest growth, at an average rate of 9.5% per year between 2017 and 2021. While rental supply growth was above average across the city, some areas like the Northwest and Chinook zone saw purpose-built rental market additions much higher than their 5-year average.

Figure 2: Units in newer structures can command significant premiums



Source: CMHC

Figure 3: Rental supply growth above average in most of Calgary



Source: CMHC

[7] Equal to 135 units.

[8] The Southeast zone grew by 11.5% and the Northwest zone grew by 12.5%.

Condominium rental supply grew as rental demand returned to the city

The condominium rental apartment universe grew on pace with the primary universe at 7% this year, as property owners became more confident about the local economy (Table 4.3.1). Incentives offered by some developers, such as a 2-year rent guarantee for condominium investors, help support the growth in the condominium rental apartment universe. These types of incentives may help reduce investor uncertainty in real estate investments while allowing developers to sell projects quicker.

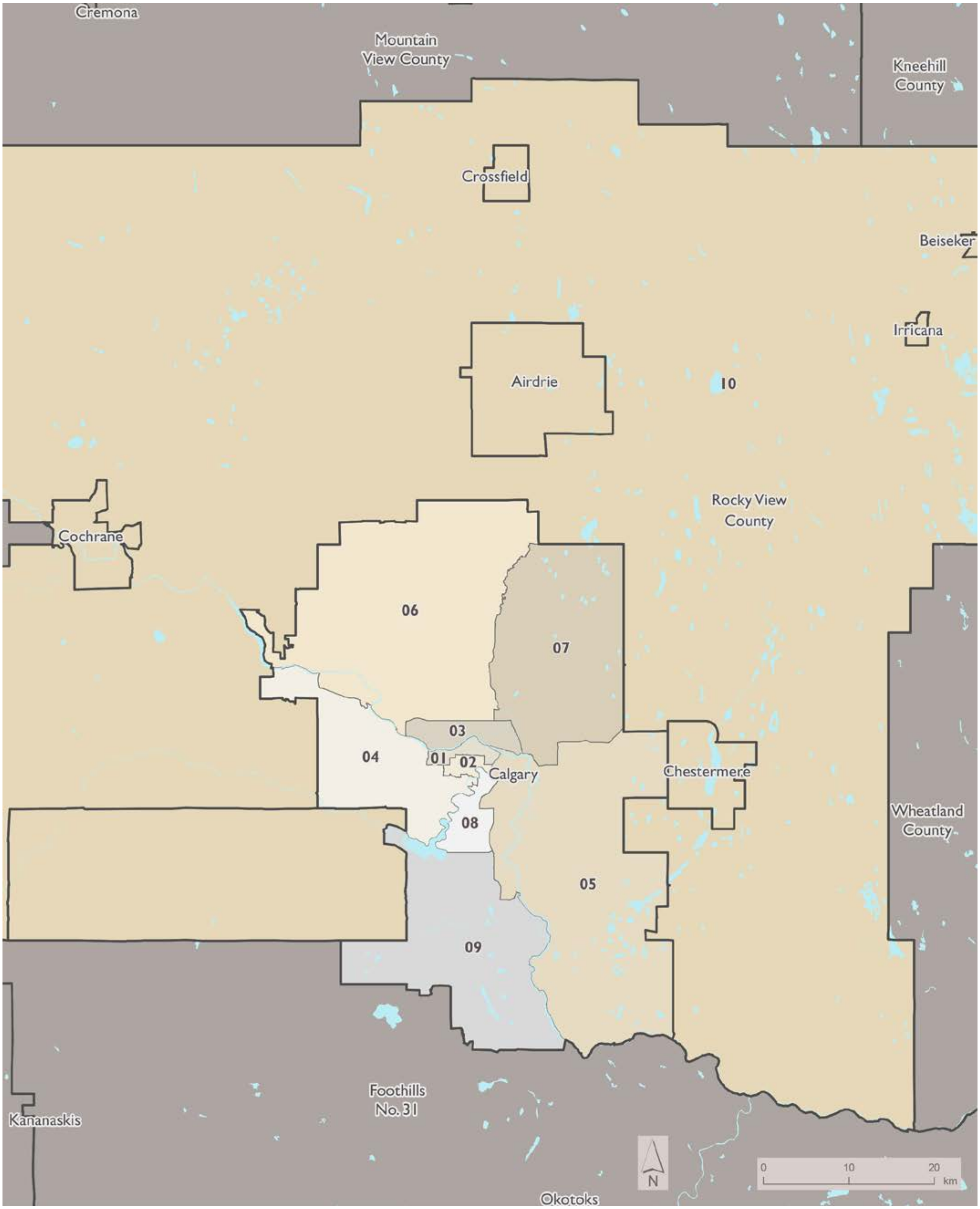
At the same time, vacancy rates for these units declined in the Core area, surrounding the city centre and commercial activity[9] (Table 4.1.1). With an average premium of $224 per month, rent levels in these condominium rental apartment units remained higher than rents for purpose-built rentals.

Affordability worsens as the stock of units for bottom quintile earners declined

Affordability is a concern in the Calgary CMA, as the rental universe that is considered affordable for the lowest quintile of earners remained relatively low in 2021. Despite an increase in the overall universe, only 9% of the CMA's primary rental supply is considered affordable for this income quintile (Table 3.1.8). This points to a shrinking supply that is affordable for Calgary's lowest-income renter households. The units that remained affordable are overwhelmingly in the bachelor and one-bedroom space, identifying a growing unmet need for low-income families.

Download the Excel data table (XLSX) for this market. Data tables for all markets are also available for download at cmhc.ca/rental-market-report-data.

[9] The Core area consists of Downtown, Beltline, and North Hill.


Cremona
Mountain View County
Kneehill County
Crossfield
Beiseker
Irricana
Airdrie
10
Rocky View County
Cochrane
06
07
03
04
01
02
Calgary
Chestermere
08
Wheatland County
05
09
Foothills No. 31
Kananaskis
N
0
10
20
km
Okotoks

RMS Zone Descriptions – Calgary CMA

Zone 1	**Downtown** - North: the Bow River; West: 24 Street SW; East: the Elbow River; South: 17 Avenue SW (from 24A Street SW to 14 Street SW), 12 Avenue SW (from 14 Street SW to 11 Street SW), 10 Avenue SW (from 11 Street SW to 2nd Street SE), and 17 Avenue SE (from 2nd Street SE to the Elbow River).
Zone 2	**Beltline/Lower Mount Royal** - North: 17 Avenue SW (from 17 Street SW to 14 Street SW), 12 Avenue SW (from 14 Street SW to 11 Street SW), 10 Avenue SW (from 11 Street SW to 2nd Street SE), and 17th Avenue SE (from 2nd Street SE to the Elbow River); West: 17 Street SW; East: 2nd Street SE (from 10 Avenue SW to 17 Avenue SE), otherwise Elbow River; South: 26 Avenue SW (from 17 Street SW to 14 Street SW), Frontenac Avenue (from 14 Street SW to 8 Street SW), Hillcrest Avenue (from 8 Street SW to 4 Street SW), otherwise Elbow River.
Zone 3	**North Hill** - North: 16 Avenue NW; West: 37 Street NW; East: Deerfoot Trail; South: Bow River.
Zone 4	**Southwest** - North: Bow River; West: West City Limits; East: 24 Street SW (from Bow River to 17 Avenue SW), 17 Street SW (from 17 Avenue SW to 26 Avenue SW), otherwise Elbow River; South: Tsuu T'ina Nation 145 (from West City Limits to Sarcee Trail SW), Glenmore Trail (from Sarcee Trail SW), otherwise Glenmore Reservoir.
Zone 5	**Southeast** - North: Bow River (from Elbow River to Barlow Trail SE), 17 Avenue SE (from Barlow Trail SE to 36 Street SE), Memorial Drive SE (from 36 Street SE to Eastern City Limits); West: Elbow River (from Bow River to 25 Avenue SW), Blackfoot Trail (from 26 Avenue SW to Anderson Road SE), otherwise Bow River; East: Eastern City Limits; South: Southern City Limits.
Zone 6	**Northwest** - North: Northern City Limits; West: Western City Limits; East: Nose Creek; South: Bow River (from Western City Limits to 37 Street NW), otherwise 16th Avenue NW.
Zone 7	**Northeast** - North: Northern City Limits; West: Nose Creek; East: Eastern City Limits; South: Bow River (from Nose Creek to Barlow Trail SE), 17 Avenue SE (from Barlow Trail SE to 36 Street SE), Memorial Drive SE (from 36 Street SE to Eastern City Limits).
Zone 8	**Chinook** - North: Elbow River; West: Elbow River; East: Blackfoot Trail; South: Heritage Drive SW.
Zone 9	**Fish Creek** - North: Glenmore Reservoir (from Western City Limits to 14 Street SW), otherwise Heritage Drive SW and SE; West: Western City Limits; East: Blackfoot Trail (from Heritage Drive SE Avenue SW to Anderson Road SE), otherwise Bow River; South: Southern City Limits.
Zones 1-9	**Calgary City**
Zone 10	**Other Centres**
Zones 1-10	**Calgary CMA**

Condominium Sub Area Descriptions – Calgary CMA

Sub Area 1	**Core** includes RMS Zone 1 (Downtown); Zone 2 (Beltline/Lower Mount Royal); and Zone 3 (North Hill).
Sub Area 2	**West** includes RMS Zone 4 (Southwest); Zone 6 (Northwest); Zone 8 (Chinook); and Zone 9 (Fish Creek).
Sub Area 3	**East** includes RMS Zone 5 (Southeast); Zone 7 (Northeast); and Zone 10 (Other Centres).
Sub Areas 1-3	**Calgary CMA**

Saskatoon

PURPOSE BUILT RENTAL MARKET

Vacancy Rate

4.8%

Average Two-Bedroom Rent

$1,183

UP by 0.5%

CONDOMINIUM APARTMENT MARKET

Vacancy Rate

3%

Average Two-Bedroom Rent

$1,208

Data tables from the Rental Market Survey and the Condominium Apartment Survey are available by market by clicking on the link www.cmhc.ca/rental-data-tables

"Rental market conditions tightened in 2021, with apartment vacancies declining across all bedroom types. Strong employment growth contributed to increasing rental demand, which outpaced new supply."

Goodson Mwale
Senior Analyst, Economics

MARKET INSIGHTS

HIGHLIGHTS

The overall vacancy rate in the primary market declined in 2021 after rental demand outpaced supply.

Same-sample rent growth was modest, while the average asking rent for vacant units was lower than that paid in occupied units.

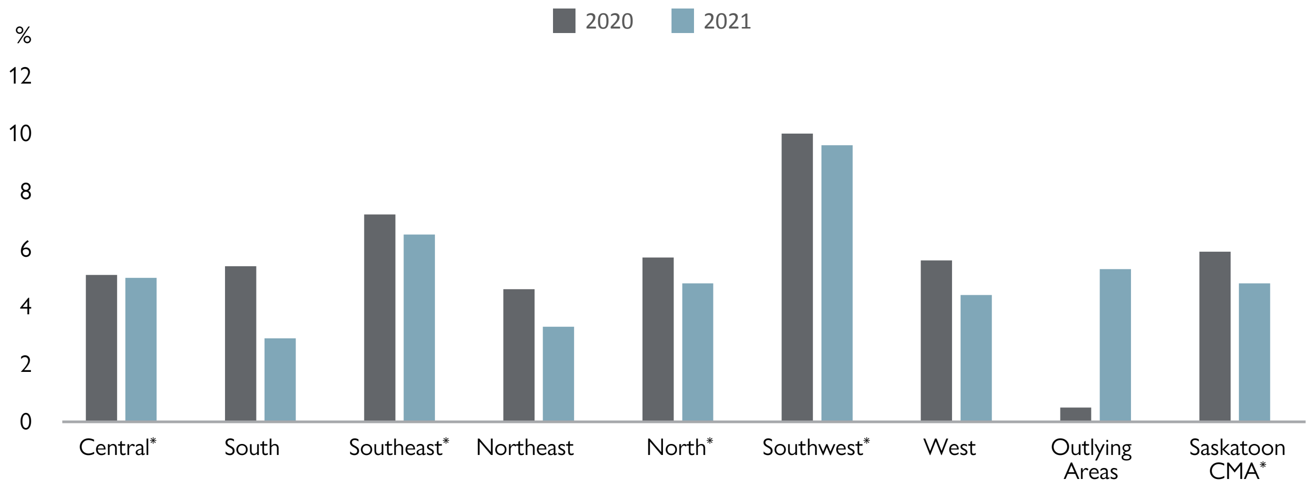
Low-income households face challenges in finding affordable rental apartments.

The rental condominium market remained tight despite additional supply.

Rental market conditions tightened

Increased demand for rental apartments outpaced new supply in the Saskatoon Census Metropolitan Area (CMA), which pushed the overall vacancy rate down to 4.8% in October 2021 from 5.9% in 2020. The decline was consistent across all bedroom types within city limits and across the Saskatoon CMA. The overall vacancy rate declined in the South, Northeast and West, but was relatively stable in the Central, Southeast, North, and Southwest rental zones. In Outlying Areas, the vacancy rate increased, following the above-average increase in new supply for that zone (Figure 1).

Figure 1: The overall apartment vacancy rate declined in 2021



Source: CMHC

*Change in 2021 vacancy rate is not statistically significant. This means that the change between 2021 and 2020 is not statistically different than zero (0).

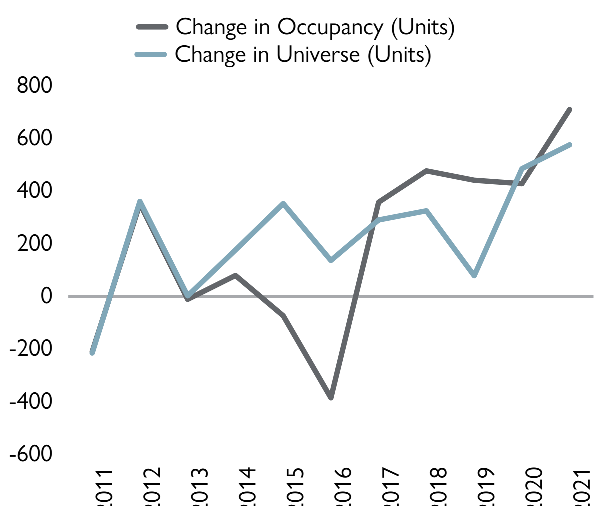
Recovery in employment supported rental demand

In 2021, demand for rental apartments in the Saskatoon area strengthened further, with 710 more units occupied than in 2020. The majority of these were two-bedroom apartments. Rental demand was supported by a recovery in overall employment, which rose by 3.8% in October 2021 from a year earlier. Among youth aged 15 to 24, who are most likely to be renters, employment was 37% higher than in the previous year. With solid gains in both full-time and part-time jobs, the unemployment rate for this age cohort fell to 9% in October 2021 from 16% in 2020.

Saskatoon's rental market survey universe increased by 576 units in 2021, representing the highest gain since 2012 when the rental universe reverted upward. The most significant increase occurred among two-bedroom units, particularly in the Northeast and Outlying areas (Table 1.1.3). Throughout the CMA, builders completed 637 rental apartments between July 2020 and June 2021. The disparity between units completed and the change in the survey universe can be explained by the permanent or temporary removals from the survey sample due to the conversion, demolition or renovation of existing buildings.

Overall, the increase in rental occupancy was greater than the additions to supply, which contributed to the lower apartment vacancy rate (Figure 2).

Figure 2: Rental occupancy in 2021 outpaced increases in supply



Source: CMHC

Turnover rate increased, but rental arrears remained low

The overall turnover rate increased to 37.4% in 2021 from 26% in 2020 (Table 1.1.6). The higher turnover of rental apartments was likely due to:

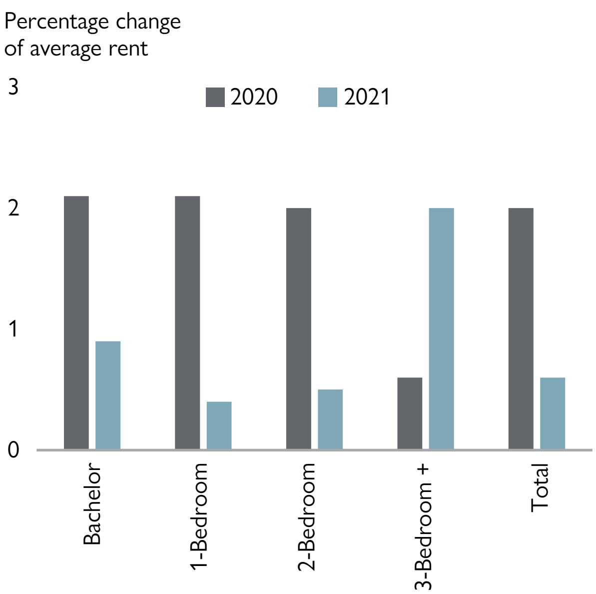
- additional supply giving renters more choice
- vacant unit asking rents being lower than those paid in occupied units
- a strong recovery in employment among the young adult population

Although a higher number of apartments were re-rented in 2021, Saskatoon's rental arrears rate was only 2.4%, compared to a national average of 5.4% (Table 5.0). This suggests that the high turnover of apartments in 2021 was not due to increased evictions of tenants for not paying their rent.

Rents flat despite tighter rental market conditions

The same-sample rent increased by a modest 0.6%, down from 2% in the previous year (Figure 3). This suggests that landlords' competition for tenants may intensify, especially in older units with a much higher vacancy rate than newer units in 2021. The vacancy rate in units built before 1940 increased compared to 2020, while it decreased or remained unchanged for units in all other structures (Table 1.2.1). Older units tend to be the least expensive option for prospective renters, while newer units typically command higher rents due to the additional amenities or upgrades. The higher vacancies in older units likely contributed to the lower asking rents for vacant units than those paid in occupied units (Table 1.1.9). This could also help explain the increased renter mobility in 2021.

Figure 3: Same-sample rent growth remained modest despite a lower vacancy rate



Source: CMHC

Stronger rental demand for newer builds

Table 3.1.7 provides information on rental apartment and row units completed in the Saskatoon area between July 2018 and June 2021. The overall vacancy rate for these new builds was 4.4% in 2021 compared to 4.6% for structures of all ages. The average two-bedroom rent for newly completed apartments and townhouses was $1,437, higher than the $1,186 reported for structures of all ages. While these newer units represent a small portion of Saskatoon's rental stock (apartments and townhouses), their lower vacancies reflect higher demand for the competitive amenities they tend to provide. This is particularly the case in sought-after neighbourhoods in the northeast parts of the city.

Rental affordability remains a challenge for lower-income households

Table 3.1.8 matches the distributions of renter household incomes in the Saskatoon area to the corresponding proportion of the rental market survey universe (apartments and townhouses) that would be affordable to them.

An estimated 7.5% of the rental stock would be affordable to renter households in the first 20% of the income distribution with less than $31,000 annual income. Only 14% of these units had one bedroom, while less than 1% had two bedrooms.

Around 56% of the rental universe would be affordable to renter households in the first 40% of the income distribution (less than $48,000 annual income). Among these units, 23% had three or more bedrooms.

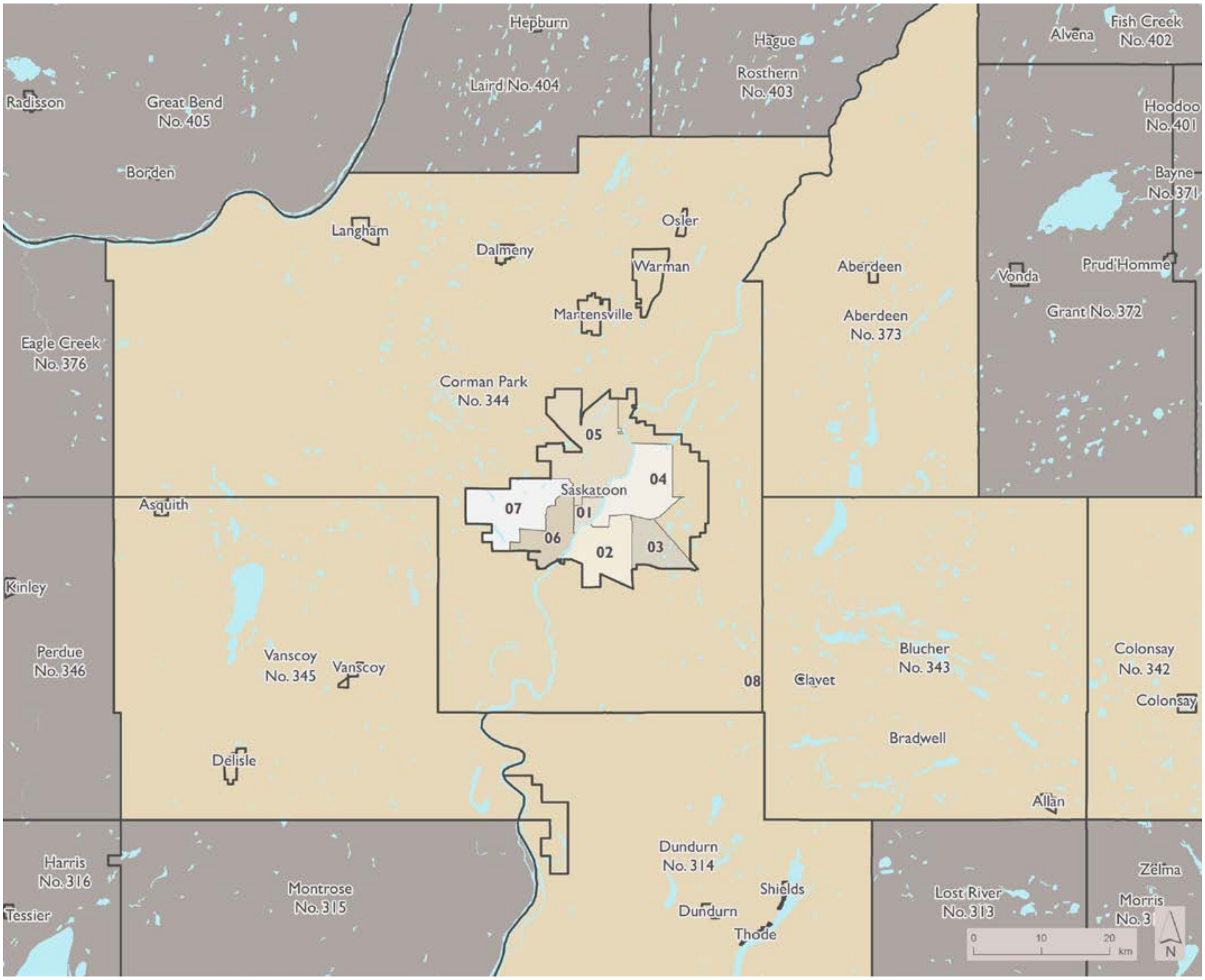
Overall, rental market affordability remains a challenge for households in lower-income quintiles, especially those seeking larger bedroom units.

Condominium rental supply increased, but the vacancy rate was stable

The vacancy rate for rental condominium apartments in the Saskatoon area was relatively stable at 3% in 2021, compared to 3.2% in 2020 (Table 4.1.1). While investors committed 16% more condominiums to long-term rental and added newly completed units to the market, the market remained tight, indicating strong demand for these types of rentals (Table 4.3.1).

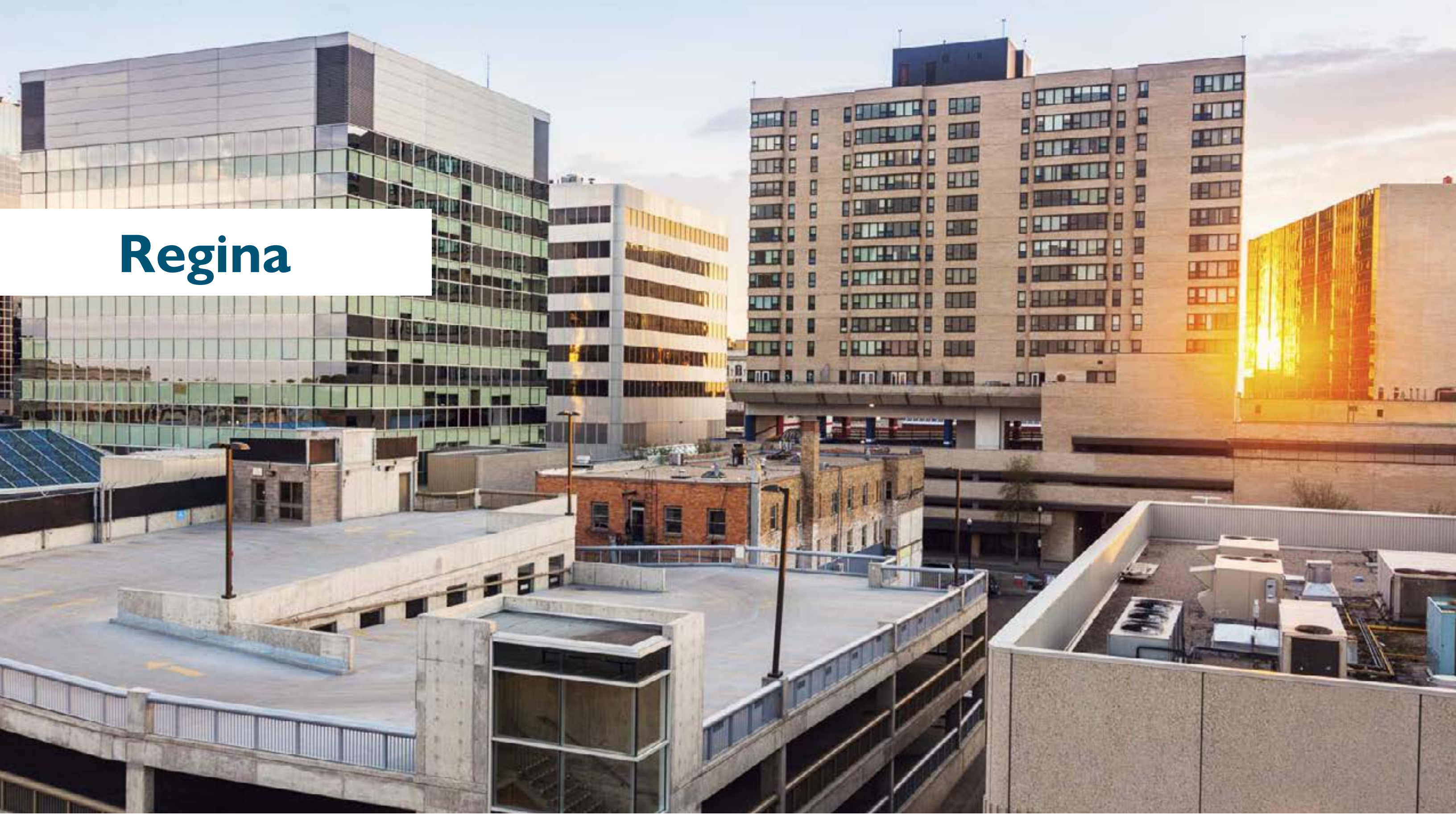
With the overall condominium universe expanding, the share of long-term rental condominium apartments increased from 28.6% in 2020 to 32.1% in 2021. Meanwhile, the average rent for a two-bedroom condominium apartment was $1,208, compared to $1,183 in the purpose-built rental market (Table 4.1.2).

Download the Excel data table (XLSX) for this market. Data tables for all markets are also available for download at cmhc.ca/rental-market-report-data.



RMS Zone Descriptions – Saskatoon CMA

Zone 1	**Central** - North: 33rd St E; East: South Saskatchewan River; West: Idylwyld Dr, Avenue H N; South: South Saskatchewan River.
Zone 2	**South** - North: College Dr, 12th St E; East: Circle Dr E; West: South Saskatchewan River; South: Cartwright St.
Zone 3	**Southeast** - North: College Dr; East: Railroad; West: Circle Dr E; South: Hwy 16.
Zone 4	**Northeast** - North: North of Agra Rd; East: Range Rd 3045; West: South Saskatchewan River; South: College Dr & Hwy 5.
Zone 5	**North** - North: Hwy 11; East: South Saskatchewan River; West: Hwy 16, Range Rd 3061; South: 29 St W, 33rd St E.
Zone 6	**Southwest** - North: Railroad; East: Avenue H; West: Range Rd 3062; South: South Saskatchewan River.
Zone 7	**West** - North: North of Henick Cres; East: Railroad; West: Hwy 7; South: Railroad.
Zones 1-7	**Saskatoon City**
Zone 8	**Outlying Areas**
Zones 1-8	**Saskatoon CMA**



Regina

PURPOSE BUILT RENTAL MARKET

Vacancy Rate	Average Two-Bedroom Rent
7.1%	$1,156
	STABLE

CONDOMINIUM APARTMENT MARKET

Vacancy Rate	Average Two-Bedroom Rent
4.8%	$1,278

Data tables from the Rental Market Survey and the Condominium Apartment Survey are available by market by clicking on the link www.cmhc.ca/rental-data-tables

"Improved labour market conditions, especially among youth aged 15 to 24, steadied rental demand in 2021. With the rental universe contracting slightly, the vacancy rate moved lower but remains high historically."

Goodson Mwale
Senior Analyst, Economics

MARKET INSIGHTS

HIGHLIGHTS

The overall vacancy rate in Regina's primary rental market declined due to steady demand and a slight decrease in supply.

Overall same-sample rents were stable as an elevated vacancy rate kept little upward pressure on apartment rents.

Rental market affordability remains a challenge for low-income households.

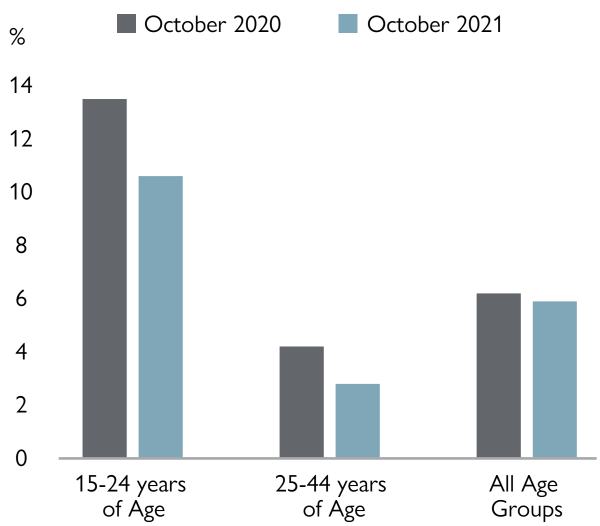
The vacancy rate for rental condominiums was stable, with supply and demand decreasing at a similar pace.

Improving employment conditions kept demand steady, but the universe declined

Stable rental demand and a slight decrease in the Regina Census Metropolitan Area (CMA) rental market survey universe pushed the apartment vacancy rate down to 7.1% in October 2021 from 7.5% in October 2020. In addition, overall employment recovered to above pre-pandemic levels in 2021, which helped keep rental occupancy steady. Among youth aged 15 to 24, who are most likely to be renters, overall employment was up by 9.1% in October 2021 from the same period a year earlier. Both full-time and part-time employment posted double-digit gains. In addition, the unemployment rate in this age group fell to 10.6% in 2021 from 13.5% in 2020 (Figure 1).

While builders in the Regina area completed 250 rental apartments since the 2020 survey, the rental universe contracted in 2021 (Table 1.1.3). This disparity can be explained by the permanent or temporary removal of units from the survey sample due to the conversion, demolition and renovation of existing buildings.

Figure 1: A declining unemployment rate among the 15-24 age group is supporting steady rental demand

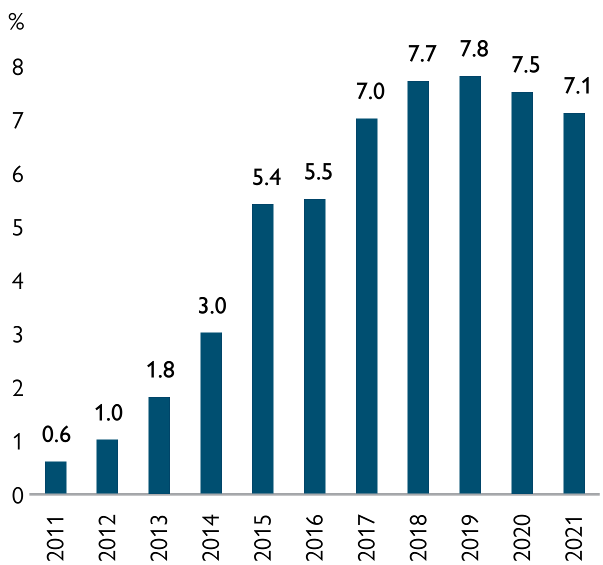


Source: Statistics Canada
Table 14-10-0378-01 Labour force characteristics, three-month moving average, unadjusted for seasonality.

Conditions in the primary rental market remained loose

While the vacancy rate declined, it remained historically high, signifying loose conditions in Regina's rental market (Figure 2). Across bedroom types, only two-bedroom apartments had a lower vacancy rate after their universe contracted from the previous year. All other bedroom types experienced no significant change in their vacancies. The overall vacancy rate was lower in the South (Wascana-University), East, Northeast and Northwest rental zones. Apartment vacancies in the Central, South (Lakeview/Albert Park), and West zones were relatively unchanged.

Figure 2: Regina's apartment vacancy rate remains elevated despite moving lower in October 2021



Source: CMHC

Higher rental mobility and above-average arrears rate

Regina's overall turnover rate increased to 35% in 2021 from 27.9% in 2020 (Table 1.1.6). Improving employment prospects and ample choice for renters (due to high vacancies) likely contributed to a higher turnover rate. In addition, there were approximately 1,242 renter households in arrears. This represents a rental arrears rate of 8.4%, above the national average of 5.4% (Table 5.0). The inability of some renter households to pay their rent likely contributed to a higher turnover rate.

No upward pressure on rents

After increasing by 0.5% in 2020, same-sample rents across all bedroom types were stable in 2021 (Table 1.1.5). Over the past few years, a high vacancy rate has supported stable-to-lower rents in the Regina area. This has encouraged competition among landlords looking to lease their older rental stock, typically having a much higher vacancy rate than newer units (Table 1.2.1). The higher vacancies in older units likely contributed to the lower average asking rent for vacant units than the rent paid in occupied units (Table 1.1.9).

Newly completed units had higher rents, but lower vacancies

Table 3.1.7 provides information on the 520 rental apartments and row units completed in the Regina area between July 2018 and June 2021. The overall vacancy rate for these newer units was 5.3% in 2021 compared to 6.8% in structures of all ages. The newer units also had an average rent of $1,378, which was 27% higher than the rent paid in structures of all ages. Nearly half of the newly completed rental units were in the East zone and had a vacancy rate of below 2%. Newer neighbourhoods in this part of the city have continued to see increased demand for both ownership and rental accommodation.

Rental affordability remains a challenge for low-income households

Table 3.1.8 matches the distributions of renter household incomes in Regina to the corresponding proportion of the rental market universe (apartments and townhouses) that would be affordable to them.

An estimated 8.4% of Regina's rental stock would be affordable to renter households within the first 20% of the income distribution with less than $31,000 annual income. Most of these units are small, with only about 15% having more than two bedrooms.

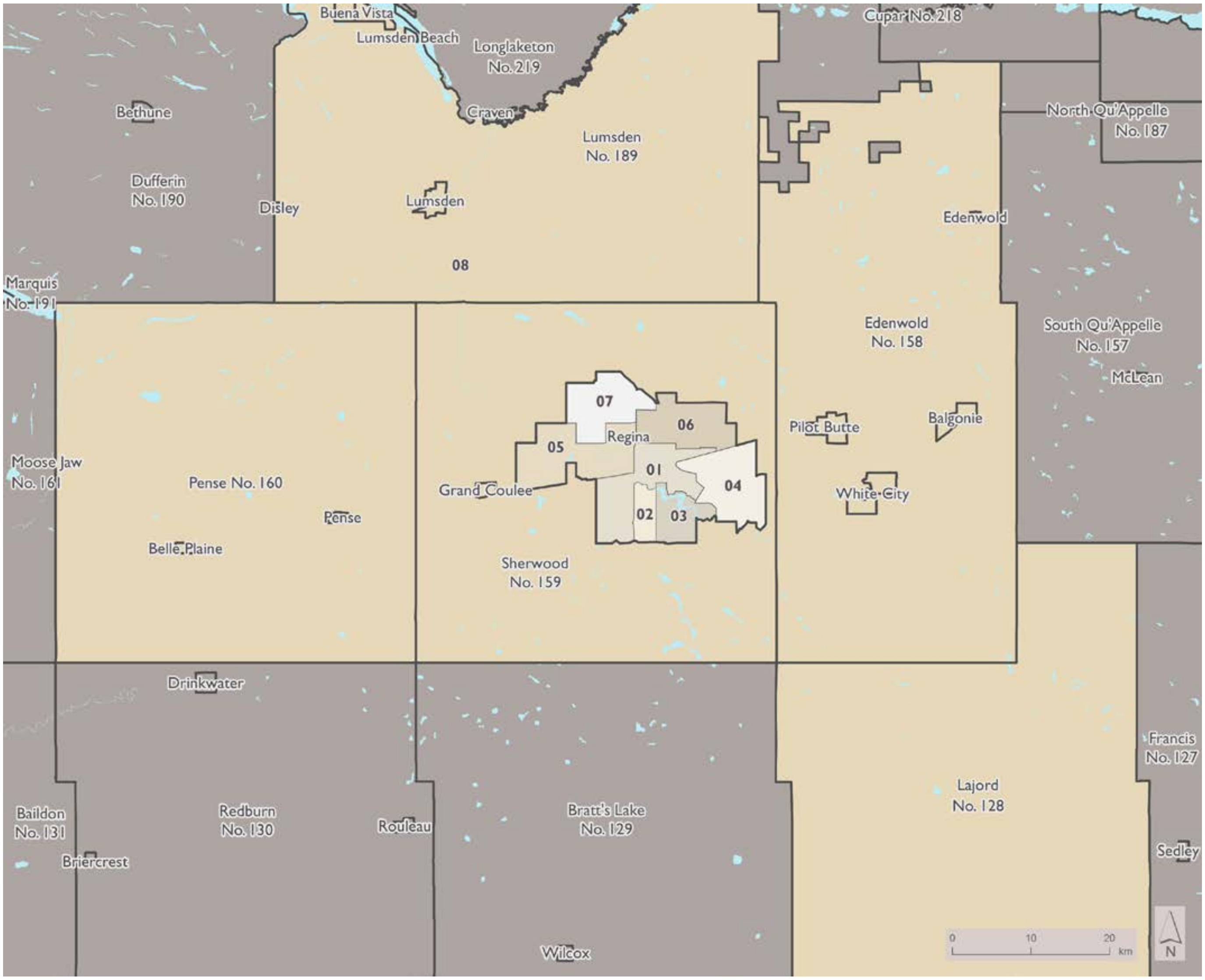
In the first 40% of the income distribution (less than $48,000 annual income), renter households could afford to rent 57% of Regina's rental stock. Around 23% of these units had three or more bedrooms.

Vacancy rate for condominiums remained stable

The vacancy rate for rental condominiums in the Regina area was stable at 4.8% in 2021. While the condominium universe increased by 19 units from the previous year, investors committed 248 fewer units to long-term rentals. On the one hand, this might reflect stronger demand for ownership condominiums during the COVID-19 pandemic, which has resulted in continued price gains. Before the pandemic, condo prices had been in a declining trend since 2014. The recent upward trend in prices might have prompted some investors to sell their units. The share of rental condominium apartments declined to 29.8% in 2021 from 33.1% in 2020 (Table 4.3.1).

Increasing competition from the primary rental market could have weakened demand for rental condominiums. However, with supply and demand decreasing at a similar pace, the vacancy rate remained stable. Meanwhile, the average rent for a two-bedroom condominium apartment was $1,278, compared to $1,156 in the purpose-built rental market (Table 4.1.2).

Download the Excel data table (XLSX) for this market. Data tables for all markets are also available for download at cmhc.ca/rental-market-report-data.



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**

Winnipeg

PURPOSE BUILT RENTAL MARKET

Vacancy Rate

5%

Average Two-Bedroom Rent

$1,317

UP by 2.8%

CONDOMINIUM APARTMENT MARKET

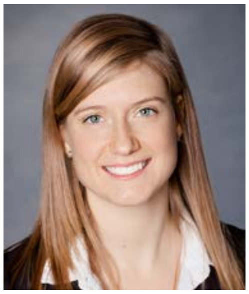
Vacancy Rate

2.1%

Average Two-Bedroom Rent

$1,406

Data tables from the Rental Market Survey and the Condominium Apartment Survey are available by market by clicking on the link www.cmhc.ca/rental-data-tables



"Large additions to new rental supply helped push the purpose-built rental apartment vacancy rate up to the highest level since 1997."

Heather Bowyer
Senior Analyst, Economics

MARKET INSIGHTS

HIGHLIGHTS

The purpose-built rental apartment vacancy rate increased due to significant additions to new rental supply and lower than normal demand.

Same-sample apartment rents continued to increase, but higher vacancies reduced upward pressure on rents at a more moderate rate than previous years.

The condominium rental apartment vacancy rate remained statistically unchanged at 2.1%, significantly lower than the purpose-built rental market.

An adequate supply of affordable rental continues to be a challenge for lower-income households.

Weaker rental demand despite improved labour market conditions

Total employment levels improved to the end of October 2021 compared to a year earlier with the addition of over 15,000 jobs in the Winnipeg Census Metropolitan Area (CMA). All gains occurred among full-time work. Employment has rebounded the most among the young adult population or those aged 15 to 24 years. This cohort was also the most affected by pandemic restrictions. During the pandemic lockdowns at the beginning of 2021, this cohort lost nearly one-third of all jobs.

Labour market conditions are only starting to recover to pre-pandemic levels. By October 2021, employment had recovered to pre-pandemic levels seen in February 2020. Both the level of unemployed and the unemployment rate remained higher than February 2020. This suggests that some individuals have yet to return to the labour market following pandemic restrictions and account for weaker rental demand.

Border restrictions imposed throughout 2020 as a COVID-19 preventative measure began to ease in the early parts of 2021. This allowed international immigration and non-permanent resident levels to increase. In Manitoba, as of the second quarter of 2021, immigration was up 82% on a year-over-year basis. Similar to the trends experienced in the labour market, immigration remains considerably lower than historical levels for this period. While the return of immigration provided some support for rental demand in the Winnipeg CMA, it remained well below the demand typically created by this household type.

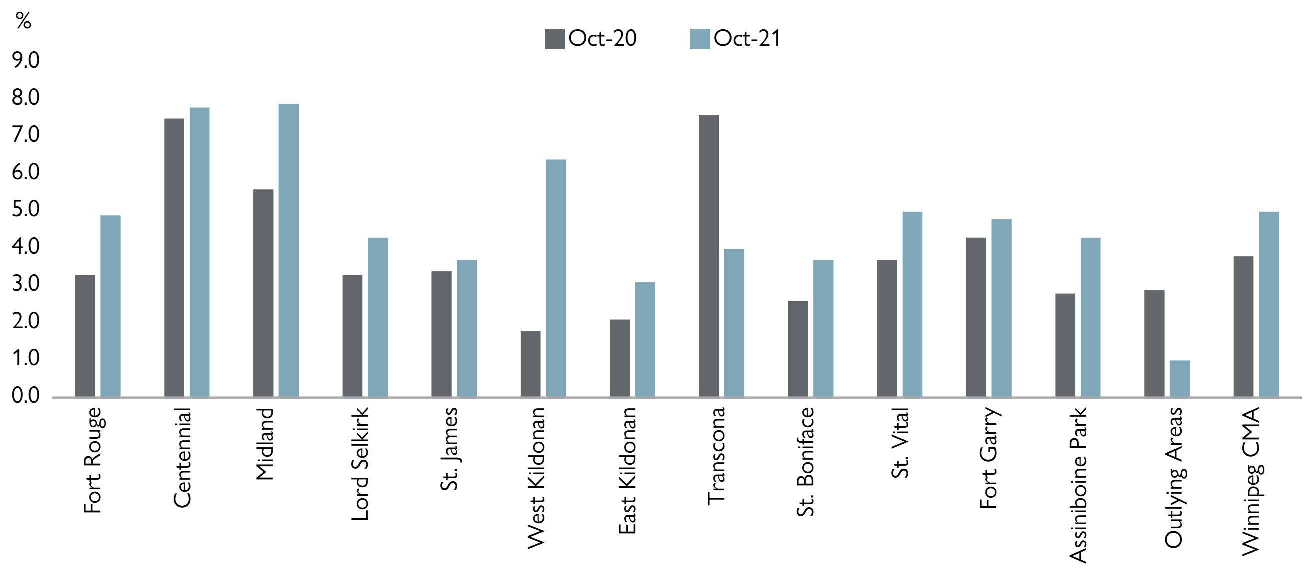
Vacancy rate moved higher on increased supply

The purpose-built apartment vacancy rate increased to 5% in 2021 relative to 3.8% in 2020 (Table 1.1.1). This was the second consecutive yearly increase and the highest vacancy rate since 1997. As previously noted, the labour market, population flows and economic conditions have not fully recovered from pandemic-induced challenges and have contributed to weaker rental demand. These factors, combined with significant new additions to the purpose-built rental universe, helped increase the vacancy rate in 2021.

The purpose-built apartment rental universe in the Winnipeg CMA increased by 2,915 units in 2021, the largest annual increase on record based on data dating back to 1990 (Table 1.1.3). This gain was due to the large number of newly completed apartment units added to the rental universe. Additions to rental supply will likely continue to be elevated going forward as apartment units under construction were up 30% year-over-year as of October 2021.

Vacancy rates increased across most survey zones, with core areas posting generally higher vacancies than suburban areas (Figure 1). The West Kildonan survey zone posted the largest increase in vacancy rate between surveys. This can be attributed to many newer and more expensive units coming on to the market, which experienced lower demand and higher vacancies. While all bedroom types posted increases in vacancy rates, bachelor units experienced the most significant increase, indicating reduced demand for smaller units.

Figure 1: Vacancy rates increase among most survey zones

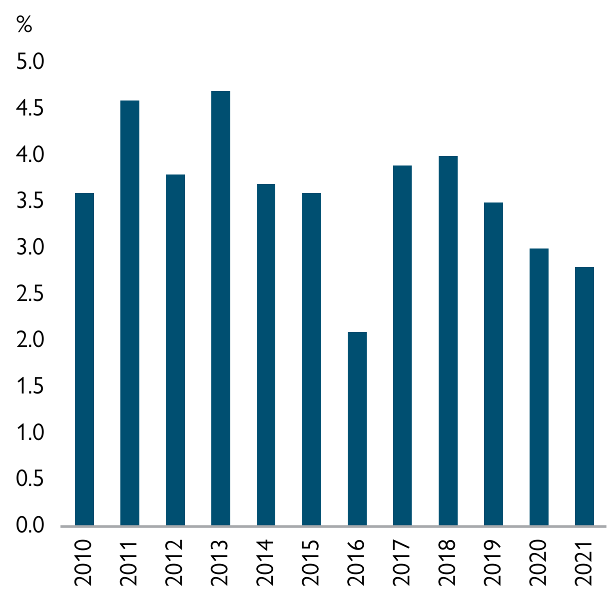


Source: CMHC

Average rent growth moderated for the third consecutive year

While same-sample apartment rents increased by 2.6% in 2021, this was a moderate increase compared to previous years (Figure 2). The change in the pace of same-sample rent growth was partly due to higher purpose-built vacancies. Weaker rental demand likely also contributed to slower growth in 2021 (Table 1.1.5). Bachelor units posted the largest increase in same-sample rents at 3.2%, which helped explain the lower demand and higher vacancy rate for this unit type.

Figure 2: Same-sample apartment rent increases



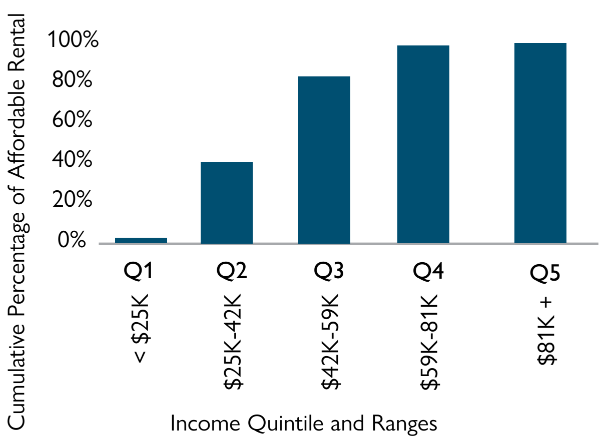
Source: CMHC

The average asking rent for a vacant unit was 2% higher than occupied units (Table 1.1.9). This represents a narrowing gap compared to 2020, where asking rents for vacant units were 7% higher. Higher vacancies stemming from weaker rental demand and a substantial expansion in the purpose-built rental universe contributed to narrowing the rent gap. Given the smaller rent gap between vacant and occupied units and the likely higher propensity to move during the pandemic as restrictions eased, the apartment turnover rate increased to 17.7% in 2021 from 13.6% in 2020 (Table 1.1.6).

Affordability challenges persist in the rental market

For the lowest income quintile (the first 20% of the income distribution) earning less than $25K a year, an affordable monthly rent would be less than $625 (Table 3.1.8). This income group had affordable[1] access to less than 3% of the total rental universe in 2021 (Figure 3) but represented roughly 20% of all renter households.[2] Many of these households were likely living in units considered unaffordable. This explains why rental demand is highest among this income quintile, reflected in the lowest vacancy rate at 4.6% among all income quintiles.

Figure 3: Smallest universe available for lowest income quintile earners



Sources: CMHC, Statistics Canada Census 2016, CMHC calculations
Note: The rent ranges are calculated at the affordability threshold of 30% of monthly income for each quintile. Renter household income (non-subsidized, all household sizes) was derived from Census 2016 and expressed in 2021 dollars.

While there is a need for more affordable units, new supply coming on to the market posts higher average rents. Among units in the purpose-built rental market completed between July 2018 and June 2021, the average rent was $1,541 or 33% higher than the average rent for all units (Table 3.1.7). The largest rent differential occurred among bachelor units where new units posted rents that were 44% higher than the rent for all units.

Condominium rental market experienced little change in vacancies

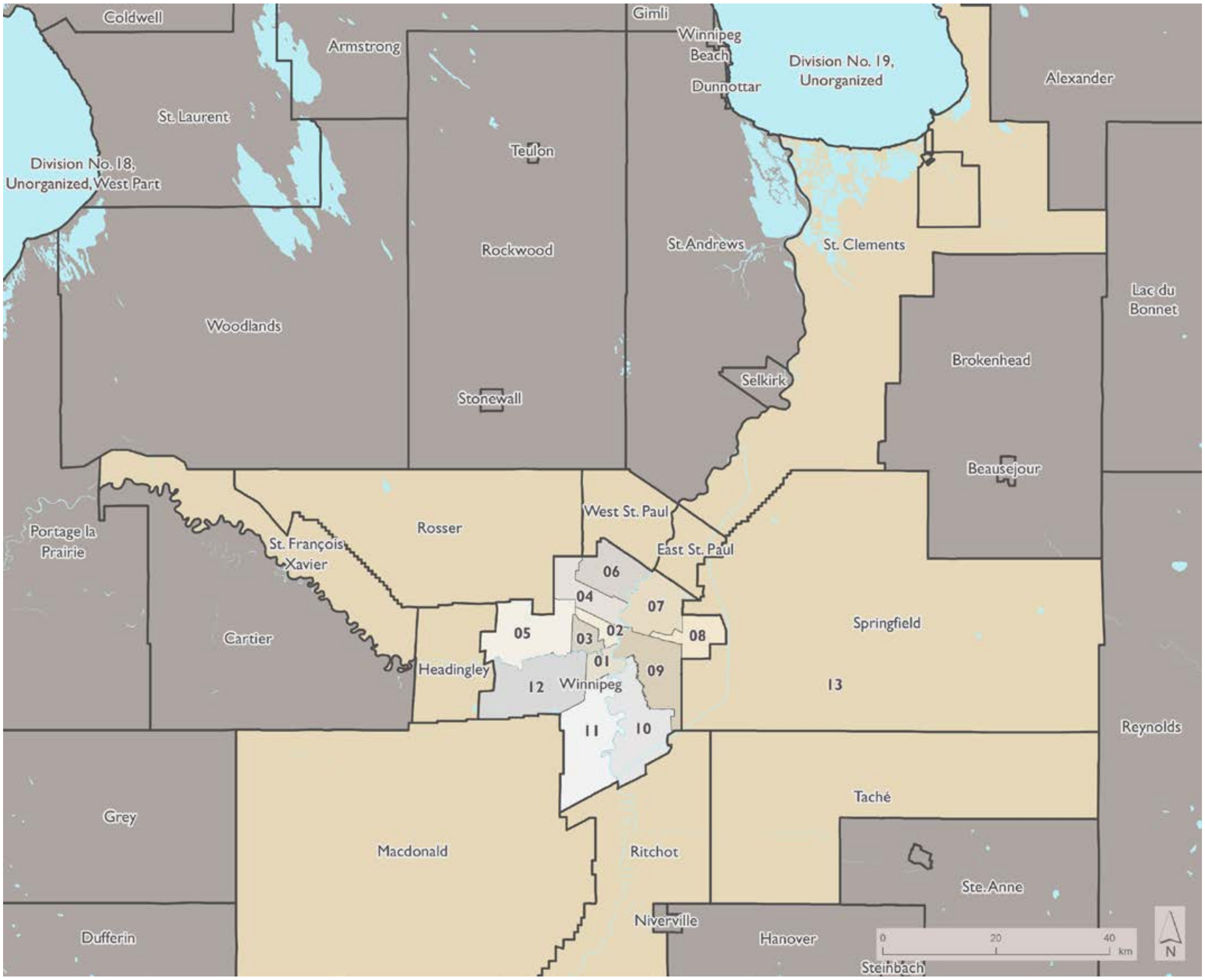
The vacancy rate for condominium rental apartments in the Winnipeg CMA was unchanged in 2021 (Table 4.1.1). At 2.1%, the vacancy rate continued to be lower than in the purpose-built rental market. The condominium rental apartment universe expanded much slower than the purpose-built universe in 2021. This is because new condominium apartment construction has slowed recently in the Winnipeg CMA, while purpose-built rental construction has posted notable increases.

The average rent for a condominium rental apartment unit was $1,310 in 2021 (Table 4.1.3), $201 lower than the rent for a new purpose-built apartment unit, specifically those built after 2005. This decrease reflects a narrowing of the gap compared to 2020, which could be partially explained by the more modest increase in average rents, driven by higher vacancies, in the purpose-built rental market.

Download the Excel data table (XLSX) for this market. Data tables for all markets are also available for download at cmhc.ca/rental-market-report-data.

[1] The rent ranges are calculated at the affordability threshold of 30% of monthly income for each quintile. Renter household income (non-subsidized, all household sizes) was derived from Census 2016 and expressed in 2021 dollars.

[2] Using 2016 Census data, there were 21,085 households with incomes less than 20,000 and 100,150 renter households in total.



RMS Zone Descriptions – Winnipeg CMA

Zone 1	**Fort Rouge** - North: Assiniboine River; East: Red River; South: Jubilee Avenue, Parker Avenue; West: Waverley St.
Zone 2	**Centennial** - North: C.P. Rail Winnipeg Yards; East: Red River; South: Assiniboine River to Osborne Street, north on Osborne to Portage Avenue, Portage to Sherbrook St., Sherbrook to Notre Dame Ave.; West: Keewatin St.
Zone 3	**Midland** - North: Notre Dame Avenue; East: Sherbrook Street to Portage Ave., Portage to Osborne St., to Assiniboine River; South: Assiniboine River; West: St. James Street.
Zone 4	**Lord Selkirk** - North : City limits to Ritchie St., south to Ritchie/Templeton intersection, West in a straight line to CPR Arborg, South along Keewatin Street to the north limit of the Inkster Industrial Park, the north limit of Inkster Industrial Park to Carruthers Avenue, Carruthers Avenue to McGregor, North along McGregor to Smithfield, Smithfield to the Red River; East: Red River; South: CPR Molson/Carberry; West: Brookside Blvd (city limits).
Zones 1-4	**Core Area**
Zone 5	**St. James** - North: City limits to CPR Carberry/CNR Oak Point; East: CNR Oak Point, St. James Street; South: Assiniboine River; West: City limits.

Zone 6	**West Kildonan** - North: City limits; East: Red River; South: (north limit of Zone 4); West: City limits.
Zone 7	**East Kildonan** - North: City limits; East: City limits to Gunn Road, Plessis Rd to Ravelston Ave; South: Ravelston Ave. to Owen St., Owen Street to Regent Avenue, Regent to Panet Road to Mission St.; West: Red River.
Zone 8	**Transcona** - North: City limits; East: City limits; South: City limits; West: Plessis Rd. to CNR Reddit to Panet Rd, Panet to Regent, Regent to Owen, Owen to Ravelston, Ravelston to Plessis, Plessis to the City limit.
Zone 9	**St. Boniface** - North: Missions St/CNR Reddit; East: Plessis Road; South: City limits; West: Seine River to Carriere Ave., Carriere to Red River, Red River.
Zone 10	**St. Vital** - North: Carriere Ave; East: Seine River; South: City limits; West: Red River.
Zone 11	**Fort Garry** - North: McGillivray Blvd to Waverley St., Waverley to Wilkes Avenue, Wilkes to Parker Avenue, Parker Avenue to Jubilee Avenue; East: Red River; South: City limits; West: City limits. Zone
Zone 12	**Assiniboine Park** - North: Assiniboine River; East: Waverley Ave.; South: McGillivray/City limits; West: City limits.
Zones 5-12	**Suburban Areas**
Zone 13	**Outlying Areas**
Zones 1-13	**Winnipeg CMA**

Hamilton

PURPOSE BUILT RENTAL MARKET		CONDOMINIUM APARTMENT MARKET	
Vacancy Rate	Average Two-Bedroom Rent	Vacancy Rate	Average Two-Bedroom Rent
2.8%	$1,362 UP by 3.7%	0.4%	$1,996

Data tables from the Rental Market Survey and the Condominium Apartment Survey are available by market by clicking on the link www.cmhc.ca/rental-data-tables

"The overall vacancy rate in the primary rental market was significantly lower despite the largest supply increase in over 30 years."

Anthony Passarelli
Senior Analyst, Economics

MARKET INSIGHTS

HIGHLIGHTS

The vacancy rate decreased below 3% in the primary rental market despite the largest supply increase in over 30 years.

Factors that led to greater rental demand included fewer renters transitioning into homeownership, improved employment conditions and stronger in-migration of student renters, immigrants and renters from Toronto CMA.

Asking rents on vacant units were up to 20% more expensive than rents paid by current tenants due to scarce options and a rent freeze on most occupied units.

The vacancy rate for condominium rental apartments remained below 1% in the secondary rental market, owing to modest supply growth and strong demand from renters seeking higher quality units and building amenities.

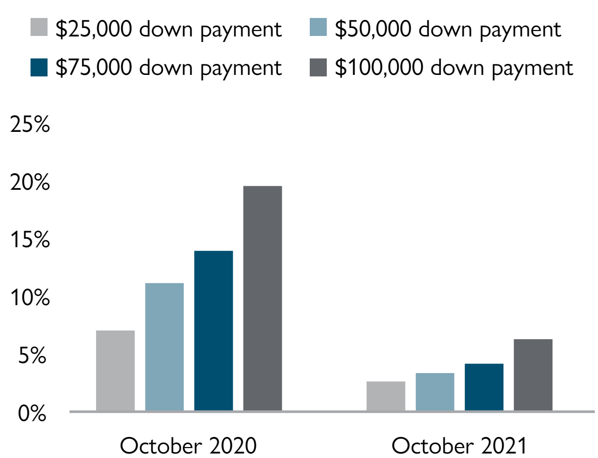
Largest supply increase in over 30 years

The number of primary rental market apartments increased by nearly 900 units in the Hamilton Census Metropolitan Area (CMA), marking the largest annual increase in over 30 years. Most of the additional supply came from newly completed two-bedroom units located in Hamilton City (Zones 1-6). The increase in supply was unable to keep pace with rental demand, resulting in a much lower overall vacancy rate. Rental demand increased by approximately 1,200 additional units, eclipsing the previous record set in 2017.

Fewer renters likely transitioned into homeownership

Stronger rental demand occurred because fewer renters likely transitioned into homeownership. Higher mortgage qualifying rates and very strong house price appreciation significantly reduced the homeownership options of prospective buyers from the rental market. Qualifying for a mortgage became more difficult since the benchmark mortgage rate, used by most financial institutions to stress test borrowers, increased from 4.79% in October 2020 to 5.25% in October 2021. The average resale home price grew by over 20% during that period.

Figure 1: Hamilton CMA resale transactions that a renter in the 80th income percentile could have qualified to purchase (%)



Sources: CMHC, Realtors Association of Hamilton-Burlington, Statistics Canada, Bank of Canada, and calculations by CMHC
Note: Qualification based on 30% mortgage payment to income ratio, benchmark mortgage rates of 4.79% in October 2020 and 5.25% in October 2021.

To illustrate the reduction in homeownership options, Figure 1 shows that renters in the 80th income percentile of $87,000, with a considerable down payment of $100,000, could have qualified to purchase less than 10% of homes sold in the region in October 2021. With the same down payment, these renters would have qualified to purchase approximately twice the number of homes (20%) one year prior.

Greater number of student renters

The sharp decrease in vacancy rates in Zone 5 - West End, which is home to McMaster University's main campus, suggests that more student renters lived there this year. This likely included more international students, as Immigration Refugee and Citizenship Canada (IRCC) data show that approximately twice as many temporary residents were living in Ontario on a study permit at the time of our survey compared to the year prior.

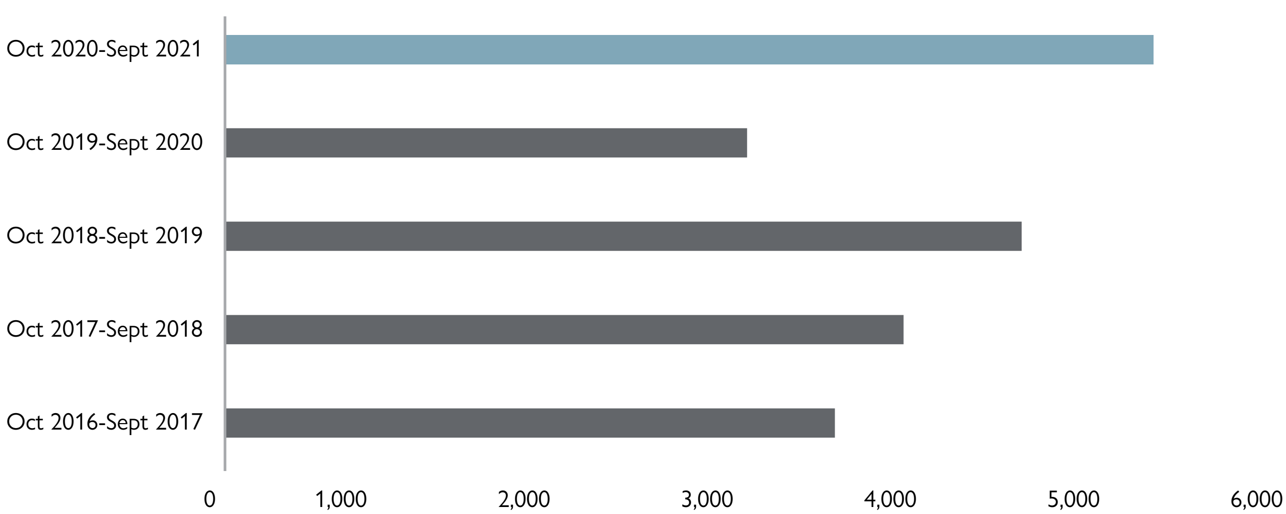
Many McMaster University courses offered in the fall 2021 semester had the option for in-person learning. Since the school instituted a vaccination mandate, most students could learn on campus, which allowed for more relaxed physical distancing rules for indoor instructional spaces. Enhanced health and safety measures prompted the school to reduce the number of on-campus housing spaces offered for rent. Unfortunately, this forced more student renters to find rental accommodation off-campus than usual.

Strong international and domestic migration led to greater rental demand

Other IRCC data show that Hamilton CMA also welcomed just over 5,000 new Canadian permanent residents since our 2020 survey. Figure 2 illustrates that this exceeded the number of permanent residents admitted in the prior twelve-month period and pre-pandemic levels. Historical data suggests that most of these new permanent residents were newcomers to Canada, as opposed to temporary residents who already lived here on a work or study permit. Newcomers to Canada are far more likely to rent than own their first home.

Anecdotal evidence also suggests that more renters vacated units in Toronto CMA to rent in Hamilton CMA than usual. An increasing number of employers permitting part-time or full-time remote working arrangements further supported this shift. Renters moving from nearby regions of Toronto CMA, such as the former City of Toronto, Peel and Halton Regions, were estimated to have saved up to $350 per month for one-bedroom units and up to $600 per month for two-bedroom units.

Figure 2: Number of permanent residents admitted to canada that intended to reside in Hamilton CMA



Source: Immigration Refugees and Citizenship Canada

Employment conditions improved for prospective renters

Due to improved employment conditions, people aged 15 to 24 and 25 to 44 were more likely to separate from their parents to form their own renter households. While unemployment rates for each age group remained above pre-pandemic levels, they were significantly lower than in 2020. These rates were supported mainly by sizeable employment gains in service industries, including ones that tend to generate rental demand, such as retail and accommodation and food services.

Strong rent growth despite rent freeze

On average, rent increased by 3.8% in apartment structures surveyed in both 2020 and 2021. Rent growth slowed this year, despite less than 3% of apartments being vacant for the first time since 2017. The 2021 Ontario rent freeze applied to up to 85% of all rented units, likely restrained rent growth. Turnover rates increased back to pre-pandemic levels this year.

Prospective tenants paid significantly more than current tenants

Asking rent on vacant units was far more expensive than the rent paid by current tenants, due primarily to scarce options and a rent freeze on most occupied units. Vacant one-bedroom units were offered at $1,238 on average, 9% higher than the rent paid for occupied units. Two-bedroom units had an average asking rent of $1,502, nearly 11% more expensive than occupied units. The largest overall discrepancy by region existed in Zone 5 – West End, where prospective tenants paid 20% more for an apartment than current tenants.

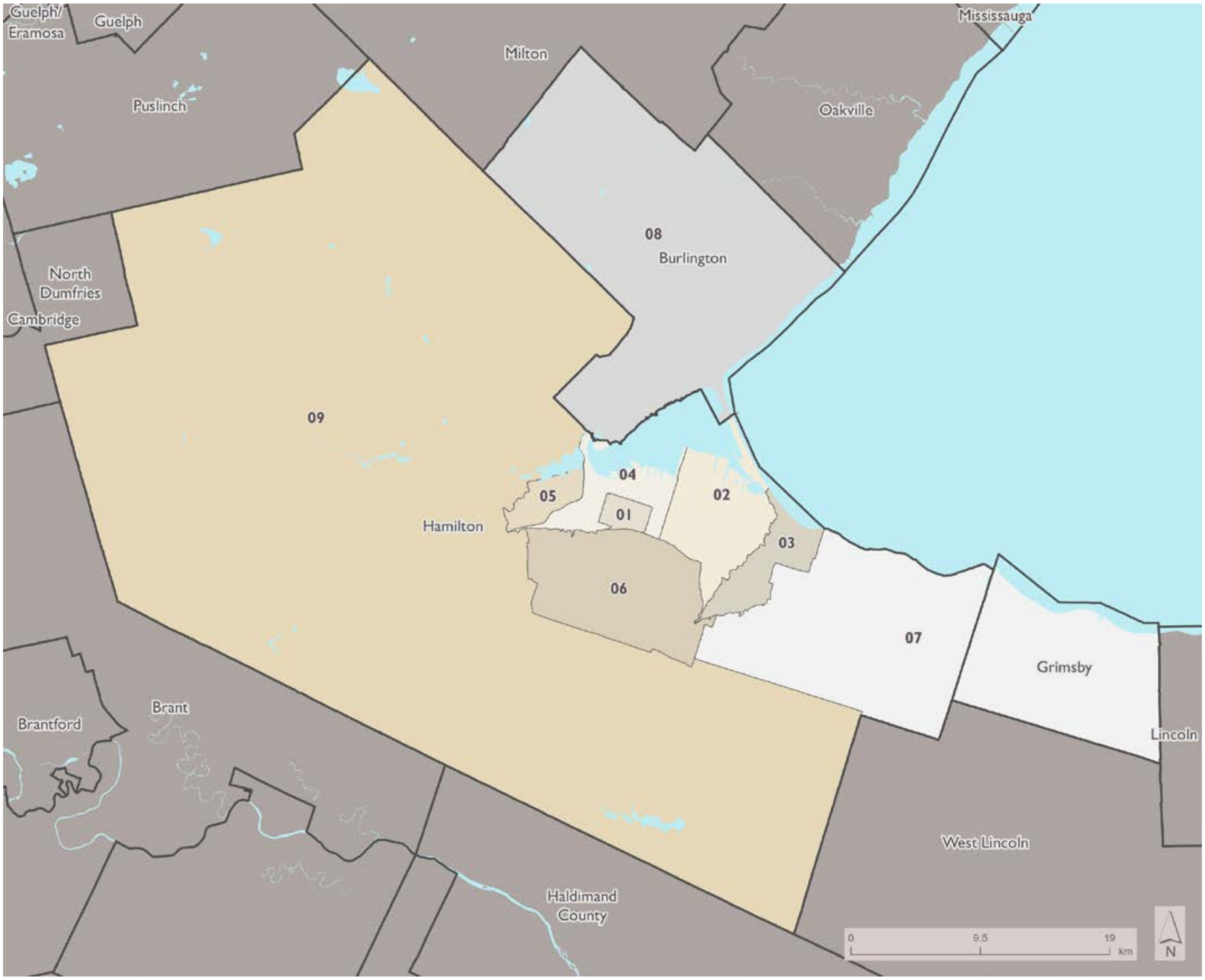
Most vacant units were unaffordable to mid-income renters

Rents have persistently grown faster than incomes in Hamilton CMA, leaving even mid-income renters with few affordable options. Only 1 of every 7 vacant units in the primary rental market were estimated to be affordable to renters at the 40^{th} income percentile. These renters were estimated to have an income of $42,000 and could afford monthly rent up to $1,049, which is 30% of their monthly income. Low-income renters at the 20^{th} income percentile, or $25,000, continued to have relatively no vacant units that were affordable.

Modest increase in the number of condominium rental apartments

In contrast to the primary rental market, the supply of rental condominium apartments increased by just 46 units. This modest increase implies that few new condominiums were rented out and that some existing units were removed from the rental market. Modest condominium rental supply growth put little upward pressure on vacancy rates in this segment, which remained extremely low at just 0.4%. The persistent low vacancy rate suggests that a significant number of renters in the primary rental market were still willing to pay the additional $500-$600 per month on average to rent a condominium instead. This significant rent discrepancy exists due to substantial differences between the average quality of units and building amenities offered in the two markets.

Download the Excel data table (XLSX) for this market. Data tables for all markets are also available for download at cmhc.ca/rental-market-report-data.



RMS Zone Descriptions – Hamilton CMA

Zone 1	**Downtown Core** (census tracts 0034, 0035, 0036, 0037, 0038, 0039, 0048, 0049 and 0050).
Zone 2	**Central East** (census tracts 0025, 0027, 0028, 0029, 0030, 0031, 0032, 0052, 0053, 0054, 0055, 0056, 0057, 0058, 0059, 0060, 0068, 0069, 0070, 0071 and 0073).
Zone 3	**East End** (census tracts 0026.01, 0026.02, 0026.03, 0026.04, 0026.05, 0026.06, 0072.01, 0072.02, 0072.03 and 0072.04).
Zone 4	**Central** (census tracts 0017, 0033, 0040, 0041, 0042, 0047, 0051, 0061, 0062, 0063, 0064, 0065, 0066 and 0067).
Zone 5	**West End** (census tracts 0043, 0044, 0045 and 0046).
Zone 6	**Mountain** (census tracts 0001.01, 0001.02, 0001.04, 0001.05, 0001.06, 0001.07, 0001.08, 0001.09, 0002.01, 0002.03, 0002.04, 0002.05, 0002.06, 0003.01, 0003.02, 0003.03, 0003.04, 0004.01, 0004.02, 0005.01, 0005.02, 0005.03, 0006, 0007, 0008, 0009, 0010, 0011, 0012, 0013, 0014, 0015, 0016, 0018, 0019, 0020, 0021, 0022, 0023 and 0024).
Zone 1-6	**Former City of Hamilton**

Zone 7	**Grimsby and Stoney Creek** (census tracts 0080.01, 0080.03, 0080.05, 0080.06, 0080.07, 0081, 0082, 0083, 0084.01, 0084.02, 0084.03, 0084.04, 0084.05, 0085.01, 0085.02, 0085.03, 0086, 0300, 0301, 0302, 0303.01 and 0303.02).
Zone 8	**Burlington** (census tracts 0200, 0201, 0202, 0203, 0204, 0205.01, 0205.02, 0206, 0207.01, 0207.02, 0207.03, 0207.04, 0208, 0209, 0210, 0211, 0212, 0213, 0214, 0215, 0216, 0217.01, 0217.02, 0218, 0219, 0220, 0221, 0222.01, 0222.02, 0222.03, 0223.01, 0223.02, 0223.05, 0223.06, 0223.07, 0223.09, 0223.10, 0223.12, 0223.13, 0223.14, 0223.15, 0223.16, 0224.01 and 0224.02).
Zone 9	**Ancaster, Dundas, Flamborough, Glanbrook** (census tracts 0100.01, 0100.02, 0101.01, 0101.02, 0120.02, 0120.03, 0120.04, 0121, 0122.01, 0122.02, 0123, 0124, 0130.02, 0130.03, 0131, 0132, 0133.01, 0133.02, 0140.02, 0140.03, 0140.04, 0141, 0142.01, 0142.02, 0143, 0144.01 and 0144.02).
Zones 1-9	**Hamilton CMA**

Greater Sudbury

PURPOSE BUILT RENTAL MARKET

Vacancy Rate	Average Two-Bedroom Rent
1.8%	$1,286
	UP by 8.4%

Data tables from the Rental Market Survey and the Condominium Apartment Survey are available by market by clicking on the link www.cmhc.ca/rental-data-tables

"A greater number of student renters, higher full-time employment and rapid growth in homeownership costs kept the vacancy rate low in 2021."

Tad Mangwengwende
Senior Analyst, Economics

MARKET INSIGHTS

HIGHLIGHTS

Lowest overall vacancy rate in 10 years at 1.8%.

Demand for rental apartments increased, driven by a greater number of student renters and higher full-time employment.

Tight homeownership market conditions contributed to higher rental demand, with fewer prospective homebuyers within the rental market able to afford to purchase a home.

Scarce rental options contributed to the same sample average rent increase of 8.4%.

Overall vacancy rate at lowest level in 10 years

The overall vacancy rate in the Greater Sudbury Census Metropolitan Area (CMA) was 1.8% in October 2021, the lowest vacancy rate recorded in 10 years. The change from 2020 to 2021 was within our survey's margin of error and not statistically significant. Vacancy rates for all bedroom types were also stable.

Modest increase in rental supply

The supply of rental units increased modestly in 2021. The number of units added in the City of Sudbury versus the Remainder of CMA was split approximately 50-50. Nearly all the additional supply was bachelor and one-bedroom apartments from existing rental structures. These units returned to the universe after being temporarily removed or converted to rental housing from other uses.

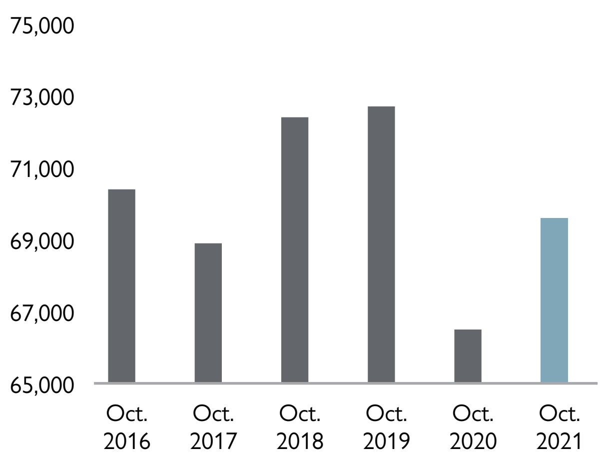
Greater number of student renters

Zone 1 – Lockerby, the site of Laurentian University, was the only sub-region where vacancy rates decreased significantly. Nearly zero vacancies existed in Zone 1 as Laurentian University allowed in-person learning for the fall 2021 semester. This likely included more international student renters, as Immigration Refugee and Citizenship Canada (IRCC) data showed that approximately twice as many temporary residents were living in Ontario on a study permit at the time of our survey compared to the year prior.

Higher full-time employment supported rental demand

Figure 1 shows while full-time employment remained below pre-pandemic levels, it was significantly higher than at the time of our October 2020 rental market survey. Less uncertainty around future work prospects likely led to more significant rental household formation. This is particularly true for people aged 15 to 24, who are typically more likely to rent when they separate from their parents. Full-time employment for this age group also increased, largely owing to the relaxing of COVID-19 related restrictions that disproportionately affected service industries such as retail, tourism and hospitality.

Figure 1: Greater Sudbury CMA full-time employment



Source: Statistics Canada

Fewer renters transitioned into homeownership

Rapidly rising homeownership costs contributed to greater rental demand in 2021. As a result, fewer prospective buyers living in rental housing could qualify to buy a home. In the twelve months since our 2020 survey, the average sale price of an existing home has increased by over 30%. In addition, prospective buyers at the time of our most recent survey were qualified for a mortgage using a higher rate of 5.25% compared to 4.79% one year ago.

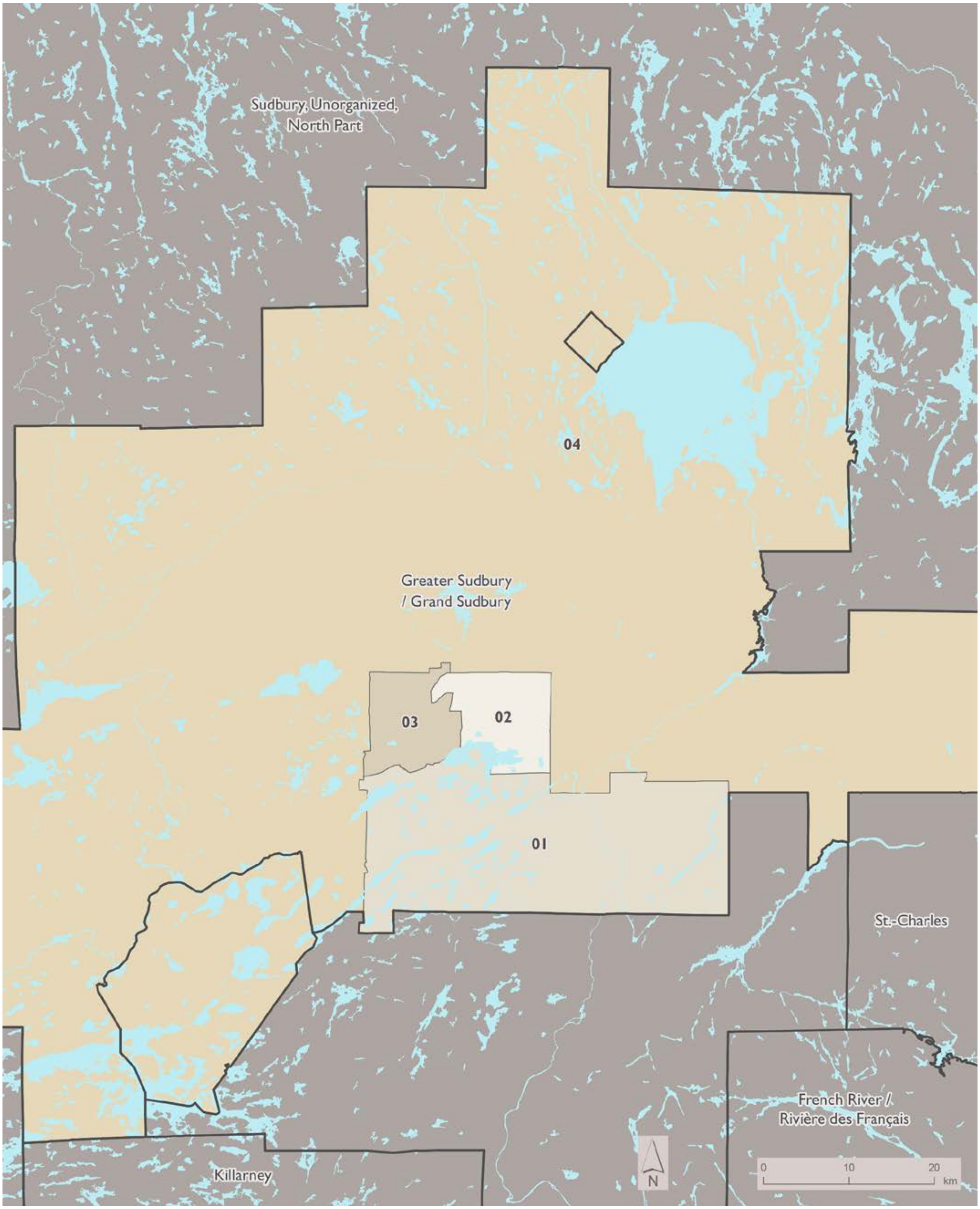
Low vacancy rate pushed up rents

Average rent increased by 8.4% in apartment structures surveyed in 2021 and 2020 (same sample survey). This was much higher than the Ontario Rent Increase Guideline of 0% set for units that did not turn over to a new tenant. The substantial increase in these structures was likely due to extremely low vacancy rates and high unit turnover after renovation.

Affordability constraints reflected in the market

Rent growth far exceeded income growth, leaving relatively no affordable options for low- to-mid income renters. Renters at the 40th income percentile of $42,000 were estimated to afford only 30% of vacant rental units. Affordable options increased considerably for renters at the 60th income percentile, or $53,000. They could afford to rent approximately 80% of vacant units.

Download the Excel data table (XLSX) for this market. Data tables for all markets are also available for download at cmhc.ca/rental-market-report-data.


Sudbury, Unorganized, North Part
04
Greater Sudbury / Grand Sudbury
03
02
01
St.-Charles
French River / Rivière des Français
Killarney
N
0
10
20
km

RMS Zone Descriptions – Greater Sudbury CMA

Zone 1	**Lockerby:** Includes the entire area south of Ramsey Lake.
Zone 2	**New Sudbury:** Includes New Sudbury and Minnow Lake.
Zone 3	**Old Sudbury:** Includes the West End, Gatchell and Copper Cliff.
Zones 1-3	**Sudbury City**
Zone 4	**Remainder Metropolitan Area**: Includes Valley East, Rayside-Balfour, Nickel Centre, Walden, Markstay-Warren, Onaping Falls and Capreol.
Zones 1-4	**Greater Sudbury CMA**

Kitchener-Cambridge-Waterloo

PURPOSE BUILT RENTAL MARKET

Vacancy Rate	Average Two-Bedroom Rent
2%	$1,356 UP by 3.2%

CONDOMINIUM APARTMENT MARKET

Vacancy Rate	Average Two-Bedroom Rent
0.8%	$1,950

Data tables from the Rental Market Survey and the Condominium Apartment Survey are available by market by clicking on the link www.cmhc.ca/rental-data-tables

"Recovery in key sources of demand and few additions to the rental stock contributed to tight rental market conditions in 2021."

David Carruthers
Senior Analyst, Economics

MARKET INSIGHTS

HIGHLIGHTS

Waterloo's rental market remains tight, with historically low vacancy rates and elevated rates of rent increase, driven in part by increases in three-bedroom+ units.

Approximately 10,000 fewer workers were employed in sales and service occupations than pre-pandemic levels as of October 2021, while industries such as professional, scientific and technical services have driven a return to pre-pandemic employment levels overall.

Immigrant admissions returned to and surpassed pre-pandemic levels.

2021 saw relatively little stock added to the rental market. Still, record levels of rental and condominium units under construction may contribute to strong growth in the coming years.

Slow rental supply growth and low vacancy rates pressure rents

Despite record inventory levels under construction in rental and condominium markets in the Kitchener-Cambridge-Waterloo (KCM) census metropolitan area (CMA), completions between our two rental market surveys were near and even slightly below the average levels since 2015. The purpose-built rental stock saw a net increase of 190 units in the universe (see Table 3.1.3). In contrast, the estimated number of rental condominium units increased by 470 units, roughly 50% of the increase in condominiums overall. This total increase of 660 units sits well below the 2016-2020 average of 1,774 units.

Purpose-built and condominium rental apartment vacancy rates remained low in 2021, with no statistically significant change (see Tables 1.1.1 and 4.1.1). Smaller-than-usual increases to the rental market stock likely contributed to low vacancy rates as competition increased for a relatively unchanged supply. This likely contributed to upward pressure on rents.

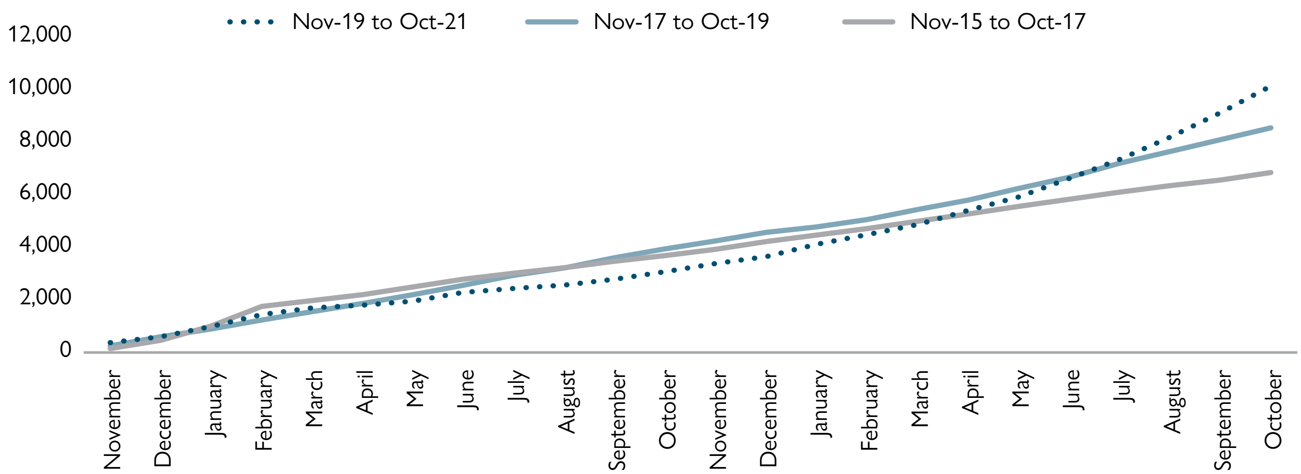
Employment rebound a factor

While total employment has returned to pre-pandemic levels, approximately 10,000 fewer people were working in sales and service occupations as of October 2021. On the other hand, employment in the professional, scientific and technical services industries was stable and continued to grow throughout the pandemic, with approximately 6,000 jobs added. A return of employment likely strengthened rental demand in KCW, with high-income jobs possibly driving rent growth in newer-condominium units.

Immigration contributed to rental demand growth

The onset of the pandemic caused a sharp drop in the admission of permanent residents. Admissions have since recovered and are well above pre-pandemic levels (Figure 1). While parts of 2020 saw reduced levels of monthly admissions, the period between our two latest rental market surveys saw more admissions overall than the same period from 2017 to 2019. New immigrants are typically renters. As a result, the increase in new admissions likely contributed to a recovery in rental demand in 2021.

Figure 1: Admissions of permanent residents recovered to above pre-pandemic levels



Source: Immigration, Refugees and Citizenship Canada. Canada - Admissions of Permanent Residents by Province/Territory and Census Metropolitan Area of Intended Destination, October 2021

Return to class increased demand from students

Post-secondary institutions in KCW suspended most in-person classes over the 2020-2021 Fall and Winter terms. Market intelligence suggests uncertainty surrounding in-person classes and the signing of leases over the school year, reduced losses from student demand in the rental market. In addition, with the prevalence of remote work opportunities, graduating students may have been slower to leave the region than in pre-pandemic times. With the resumption of some in-person classes in the Fall of 2021, many students returned to the KCW rental market, contributing to rental demand. An increase in turnover rates, especially in Waterloo from 16.4% to 21.4% (see Table 1.1.6), may also have reflected this rebound.

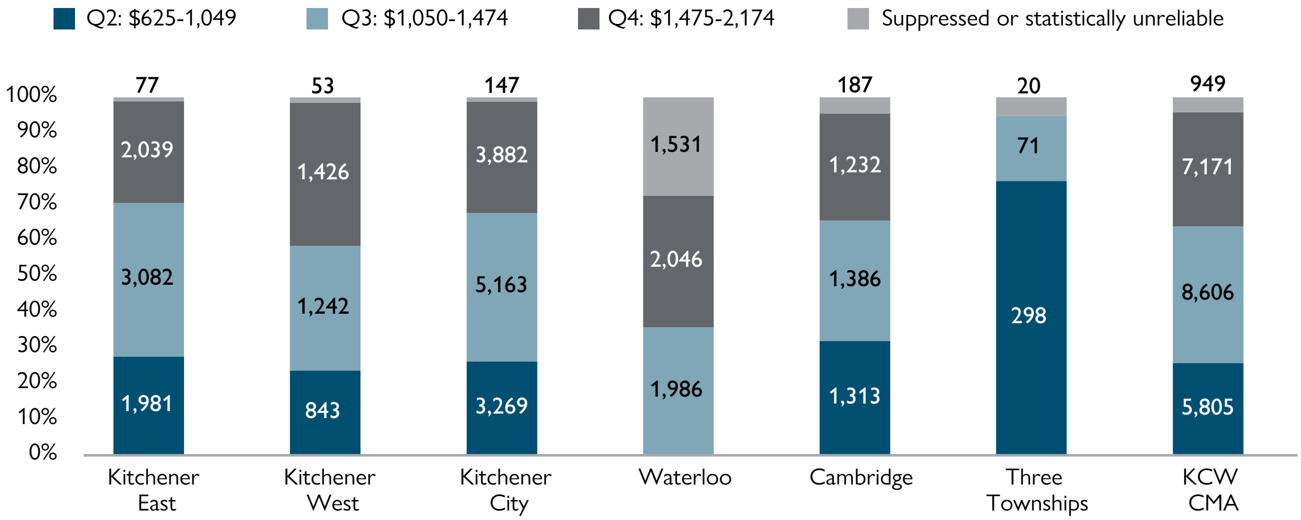
Students who spent the past year outside the region may have lacked the relationships and experience to form households and find rental housing. In addition, the loss of some student-occupied housing to non-student tenants possibly tightened the rental apartment market more than normal. The continued return to in-person instruction will likely drive activity and tightness in the student market in the upcoming year.

Upward pressure on rents and diminishing affordability

Increased demand, few additions to supply and higher rents eroded affordability within the KCW rental market in 2021. As seen in Figure 2, very little of the two-bedroom purpose-built rental stock in 2021 was affordable for the 20% of households with the lowest incomes. This pattern was common to all Zones but most visible in Kitchener and Cambridge, where less than 1% and 5%, respectively, might have been affordable to this group. Comparing the same indicators from 2020 confirms that an additional 9% of units were only affordable to the top 40% of incomes, while 10% of units were no longer affordable to the middle 20%.

Affordable housing stakeholders confirmed increasing difficulty for prospective tenants, particularly low-income individuals, looking for housing. The portion of the market with lower-rents is facing increased conversion as demand for homeownership and newly renovated rental apartments rise – though many of these units fall outside the coverage of our rental market survey.

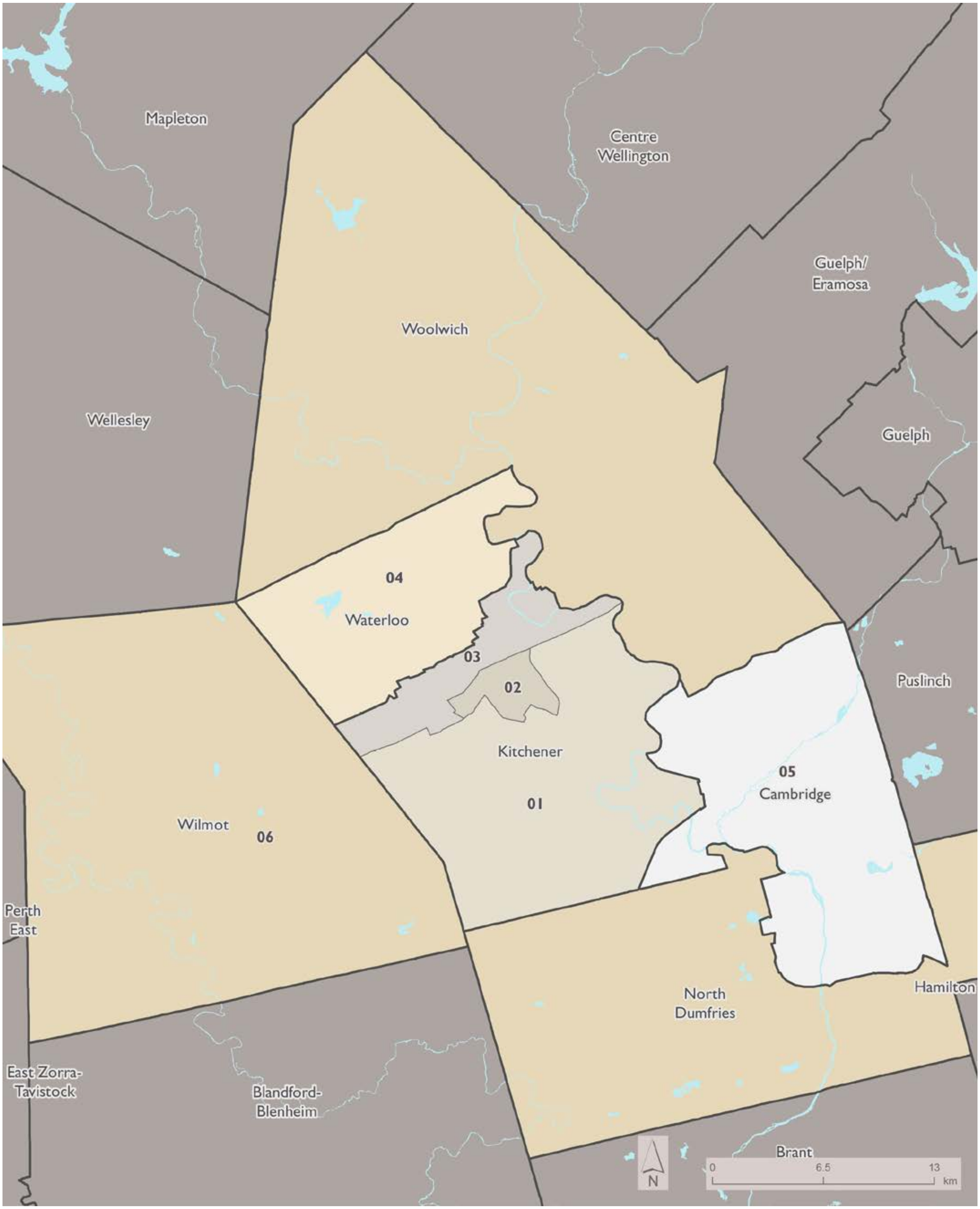
Figure 2: Few two-bedroom purpose built rental units affordable for lowest 40% of household incomes



Source: CMHC; Statistics Canada, Census 2016; CMHC calculations

Rental demand continues to be supported as many renter households find themselves unable to afford homeownership. Renting in KCW was affordable compared to Toronto in 2021, where average rent levels for two-bedroom units were substantially higher ($1,679 versus $1,356). KCW's rental market likely saw rental demand from Toronto as a result, especially with many professionals remaining in remote-work situations.

Download the Excel data table (XLSX) for this market. Data tables for all markets are also available for download at cmhc.ca/rental-market-report-data.


Mapleton
Centre Wellington
Guelph/ Eramosa
Woolwich
Wellesley
Guelph
04
Waterloo
03
02
Puslinch
Kitchener
05
Cambridge
01
Wilmot
06
Perth East
North Dumfries
Hamilton
East Zorra-Tavistock
Blandford-Blenheim
Brant
N
0
6.5
13
km

RMS Zone Descriptions – Kitchener-Cambridge-Waterloo CMA

Zone 1	**Kitchener East** - Highland Rd. West, Mill St., Victoria Ave. (north), N. Dumfries boundaries (New Dundee Rd.) (south), Woolwich Twp. (Grand River), Cambridge, Hwy 401 (east), Trussler Rd. (west).
Zone 2	**Kitchener Central** - Victoria Ave. (north), Highland Rd. West, Mill St. (south), Conestoga Pkwy (east), Lawrence Ave. (west).
Zone 3	**Kitchener West** - Waterloo City boundaries (north), Highland Rd. West, Mill St., Victoria Ave. (south), Woolwich Twp. (Grand River) (east), Wilmot Line/Wilmot Twp boundaries (west).
Zone 1-3	**Kitchener City**
Zone 4	**Waterloo** - Woolwich Twp boundaries (north), Kitchener City boundaries (south), Woolwich Twp. (Grand River) (east), Wilmot Line (west).
Zone 5	**Cambridge** - Woolwich Twp boundaries (north), N. Dumfries Twp boundaries (south), Town Line Rd. (N. Dumfries Twp, Puslinch Twp) (east), Kitchener City boundaries (west).
Zone 6	**Three Townships** - Woolwich: Waterloo City, Cambridge City boundaries (south), Puslinch Twp (east), Regional Rd 16, Waterloo City, Kitchener City (west); N. Dumfries: Kitchener City, (north), Cambridge City boundaries (east), Trussler Rd. (west); Wilmot: Gerber / Cedar Grove Rd. (north), Oxford Waterloo Rd. (south), Kitchener City (east), Wilmot Easthope Rd. / Oxford Rd. 5 (west).
Zone 1-6	**Kitchener-Cambridge-Waterloo CMA**

Belleville

PURPOSE BUILT RENTAL MARKET

Vacancy Rate	Average Two-Bedroom Rent
1.7%	$1,174
	(Change in rent is not statistically significant)

Data tables from the Rental Market Survey and the Condominium Apartment Survey are available by market by clicking on the link www.cmhc.ca/rental-data-tables

"Tight rental market conditions further limited rental options for renter households at the low end of the income spectrum."

Olga Golozub
Senior Analyst, Economics

MARKET INSIGHTS

HIGHLIGHTS

An increase in demand generated the tightest rental market conditions since 1992.

The gap in rent levels between vacant and occupied units widened further in 2021.

Rental affordability declined considerably for households at the lower end of the income spectrum.

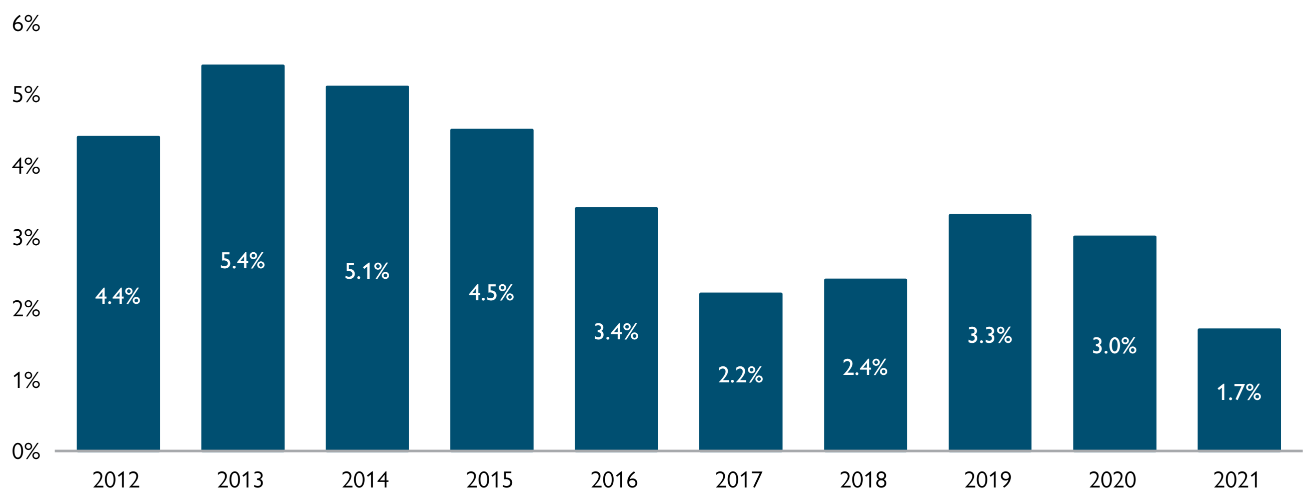
Vacancy rate declined to its lowest level since 1992

According to the Rental Market Survey (RMS) conducted in October 2021, the rental apartment vacancy rate in the Belleville Census Metropolitan Area (CMA) declined to 1.7% from 3% in the previous survey (Figure 1). The movement in the vacancy rate reflects a 0.9% increase in demand and a modest decline in rental supply. High demand for rental accommodation led to a 43.6% decrease in vacant units, generating the tightest market conditions since 1992.

Rental market tightened due to strong demand

Impacts from the COVID-19 pandemic altered prevailing rental dynamics in the Belleville CMA. In 2020, demand for rental accommodations increased by a remarkably high 2.6%. In 2021, demand strengthened further. Several factors contributed to the stronger rental demand, including increased employment for youth aged 15 to 24, more substantial migration and high homeownership costs.

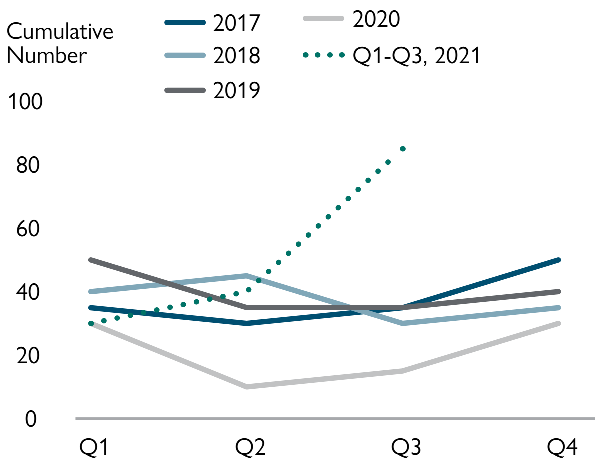
Figure 1: Belleville vacancy rate declined in 2021



Source: CMHC

Recent population estimates indicated an influx of migration to the Belleville area. This influx was driven by migrants from other Ontario cities and permanent residents from other countries. In the first nine months of 2021, the number of permanent resident admissions was three times that of 2020 admissions (Figure 2). Census data indicates that international migrants have a high propensity to rent. The increase in employment among youth aged 15 to 24, who tend to rent when they separate from their parents, was another factor that contributed to the higher demand for rental apartments.

Figure 2: Cumulative number of permanent resident admissions by year



Source: IRCC, September 30, 2021

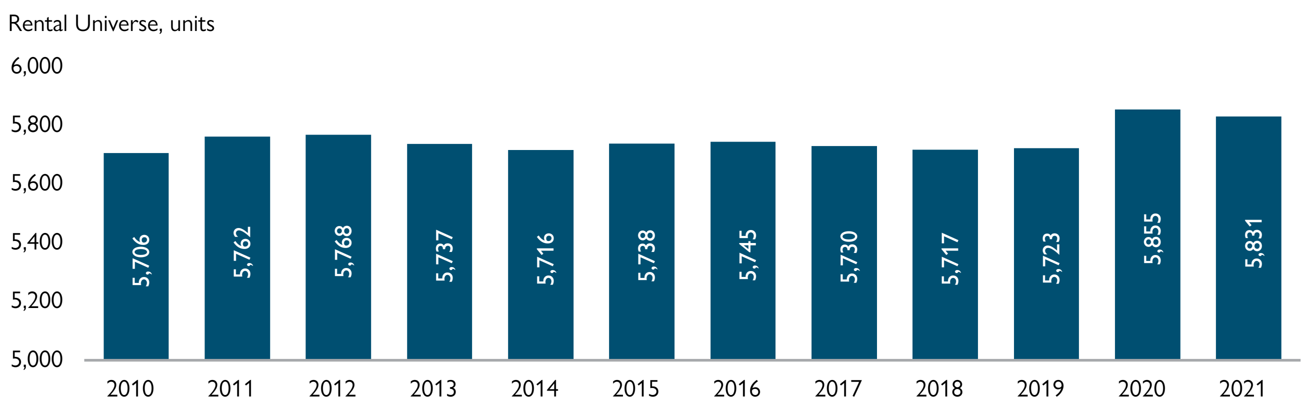
The increasing prevalence of working or studying from home during the pandemic has made commuting less a deciding factor when choosing a rental location. Moreover, remote work and study options have amplified the trend towards lower-priced and more affordable communities and neighborhoods similar to the Belleville area. It appears that relative housing affordability in comparison to other major urban centres, became a deciding factor for both renter and homeowner households in 2021.

The biggest tightening of rental market conditions occurred in the City of Quinte West, which commands lower rents than Belleville. The vacancy rate decreased by almost two percentage points in the City of Quinte West, even though 8 newly built apartments were added. With higher demand, competition for vacant units intensified, prompting potential renters to relocate to areas where rental units were more readily available. As of October 2021, 37 more units were occupied in the City of Quinte West than in 2020, compared to only 15 in Belleville.

Limited supply puts downward pressure on vacancy rates

The rental market survey universe didn't grow in the Belleville area in the 30 years from 1991 to 2020. Instead, it declined over the 1991-2008 period before stabilizing throughout the following ten years, fluctuating around the average of 5,735 units. In 2020, it grew by 2.3% before declining by 0.4% (24 units) in 2021 due to demolitions and renovations (Figure 3).

Figure 3: Rental apartment universe declined slightly in 2021



Source: CMHC

The decrease at the submarket level was concentrated in Belleville, while the City of Quinte West added 8 newly constructed apartments. However, this wasn't enough to fully offset the decline in supply.

As of December 2021, 133 rental apartment units were under construction in the area. This activity could help grow the rental supply over the next few years.

Affordable rental stock availability is a challenge for many

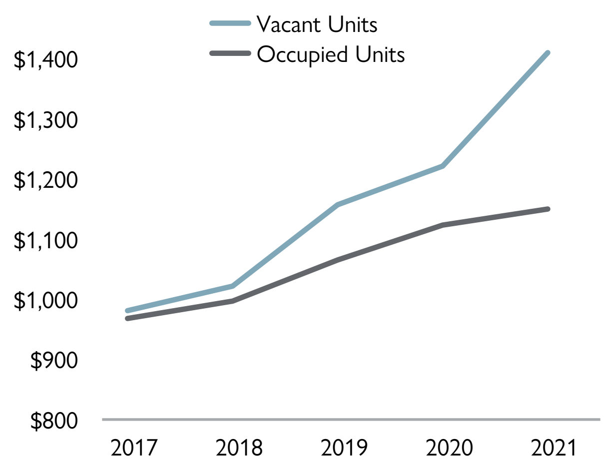
Tight rental market conditions amplified the challenges faced by lower-income households forced to rely on the low-end of the rental market to meet their housing needs. Table 3.1.8 separates the rental universe into the number of units with rent ranges affordable to each quintile of the renter income distribution in the Belleville CMA.

The results quantify the challenges renter households at the low end of the income spectrum face in finding rental accommodations. An estimated 20% of the CMA's rental stock would be affordable to renter households in the first 40% of the income distribution with less than $36,000 annual income. Monthly rent of less than $900 would be affordable to this group, yet the vacancy rate for units in this rent range was very low, at 0.4%. By contrast, households earning more than $36,000 per year can easily access accommodations in the broader housing spectrum.

Vacant unit asking rents higher than occupied unit paid rents

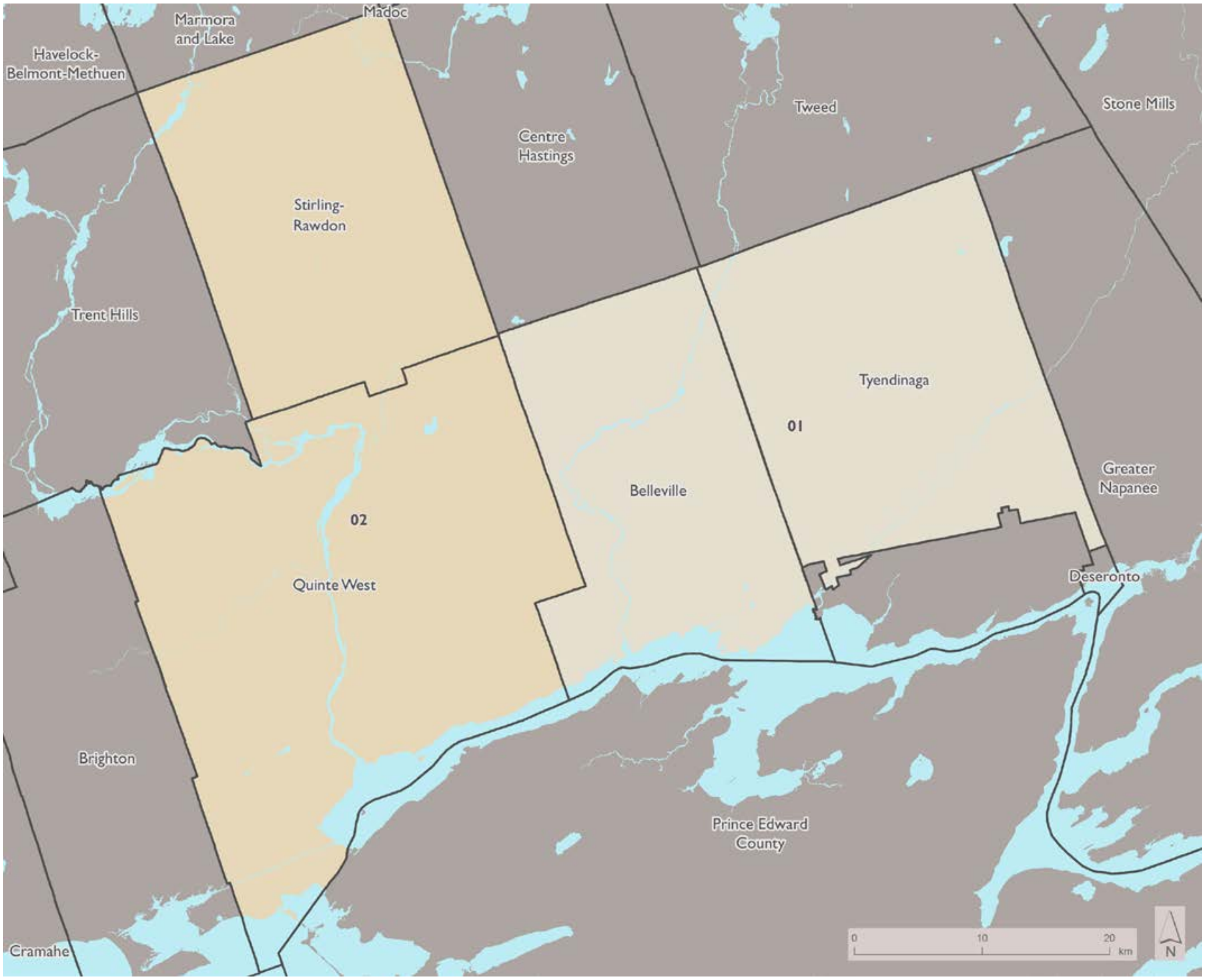
The average asking rent for vacant apartments was 22.6% higher than the average rent for occupied apartments (Table 1.1.9). This disparity in rents suggests that market rents continue to see strong upward pressure due to lower vacancies. Tenants remaining in the same unit only face rent increases in line with the provincially allowable amount. In 2021, the gap in rent levels between vacant and occupied units further widened (Figure 4). As a result, longer-term tenants with lower than market rents may be less inclined to move.

Figure 4: Average rents of vacant and occupied apartments, all bedroom types



Source: CMHC

Download the Excel data table (XLSX) for this market. Data tables for all markets are also available for download at cmhc.ca/rental-market-report-data.



RMS Zone Descriptions – Belleville CMA

Zone 1	Comprised of City of Belleville and Tyendinaga Tp.
Zone 2	Comprised of City of Quinte West and Stirling-Rawdon Tp.
Zone 1-2	**Belleville CMA**

Peterborough

PURPOSE BUILT RENTAL MARKET

Vacancy Rate

1%

Average Two-Bedroom Rent

$1,316

(Change in same sample rent is not available due to data suppression.)

Data tables from the Rental Market Survey and the Condominium Apartment Survey are available by market by clicking on the link www.cmhc.ca/rental-data-tables

"Tight rental market conditions amplified the challenges faced by renter households at the low end of the income distribution. There were no vacancies for apartments renting below $1,000."

Olga Golozub
Senior Analyst, Economics

MARKET INSIGHTS

HIGHLIGHTS

At 1%, the purpose-built apartment vacancy rate is the lowest among major Ontario centres.

A strong increase in demand and no growth in rental supply caused tightening of the purpose-built rental market.

The gap in rent levels between vacant and occupied units widened further in 2021.

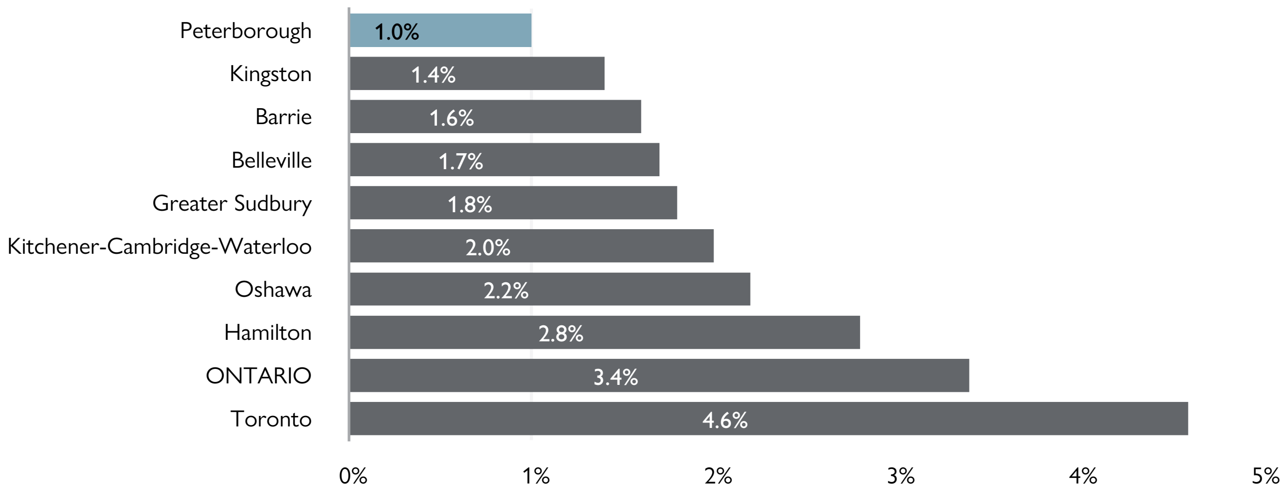
Rental options are severely limited for renter households at the low end of the income distribution.

Peterborough rental market tightest in Ontario

After three consecutive years of vacancy rate increases, the rental market in the Peterborough Census Metropolitan Area (CMA) experienced significant change. The vacancy rate for private rental apartment buildings fell by 160 basis points to 1% in 2021, the lowest in the province (Figure 1). This represents the second-biggest decline in the vacancy rate among all major centres in Ontario.

Tighter rental market conditions were observed in both of Peterborough's submarkets. Their overall vacancy rates were comparable to the CMA aggregate rate of 1%.

Figure 1: Peterborough 2021 vacancy rate the lowest among Ontario CMAs

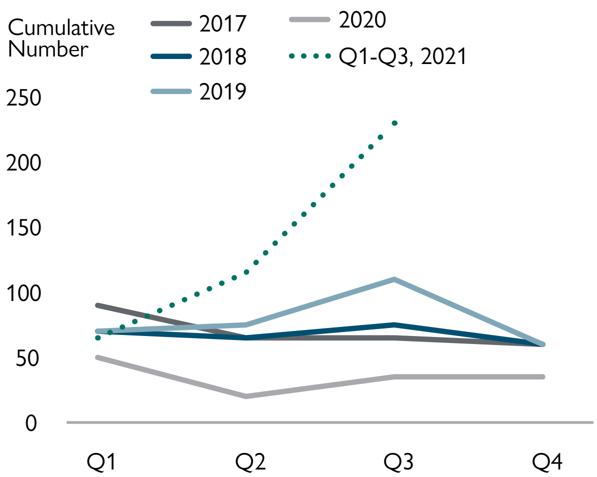


Source: CMHC

Rental market tightened due to strong demand

As measured by the number of occupied units, demand for purpose-built rental accommodation was up by 1.5%. An increase in net international migration was likely a driving force behind greater demand for rental units. In the first nine months of 2021, the number of permanent resident admissions to Peterborough CMA was four times the number of 2020 admissions (see Figure 2). Census data indicates that international migrants have a very high propensity to rent.

Figure 2: Cumulative number of permanent resident admissions by year



Source: IRCC, September 30, 2021

The increasing prevalence of working or studying from home during the pandemic has made commuting less a deciding factor when choosing a rental location.

Being able to work from home, some renter households from large neighbouring communities chose to relocate to smaller, less populated areas like Peterborough. Smaller structures with three to five units saw the largest decline in vacancy rates, from 5.5% in 2020 to zero vacancies in 2021. This decline suggests that renter households preferred smaller buildings during the pandemic to minimize their exposure to the coronavirus. Those deciding to move could also realize additional savings over an extended period when considering rent differentials between smaller and larger centres. This regional trend in migration is consistent with Toronto, where demand has shifted away from the downtown core to neighbouring cities in outlying areas.

With post-secondary education returning to in-person learning, many students have relocated back to the region. The occupancy of on-campus residencies has been capped at 50%-66%, creating additional demand for off-campus housing. Living off-campus is a preferred choice for many students. It offers them the opportunity to belong to a larger, more diverse community and interact with businesses and neighbours from different cultures and professional backgrounds.

Rising homeownership costs forced more people to seek and remain in rental accommodation

At 1%, the Peterborough vacancy rate was the lowest among all Ontario CMAs. The last time such tight rental conditions prevailed was in 2016 and 2017. At the time, the housing market in Peterborough experienced record sales activity with double-digit price increases, though not as high as in the 2020 to 2021 period. In 2021, home prices in the Peterborough CMA reached unprecedented levels. The average price of a resale home surpassed $700,000, an increase of almost 30% compared to 2020. The required income to purchase a home remained well above the actual average income, making homeownership out of reach for most potential first-time buyers.

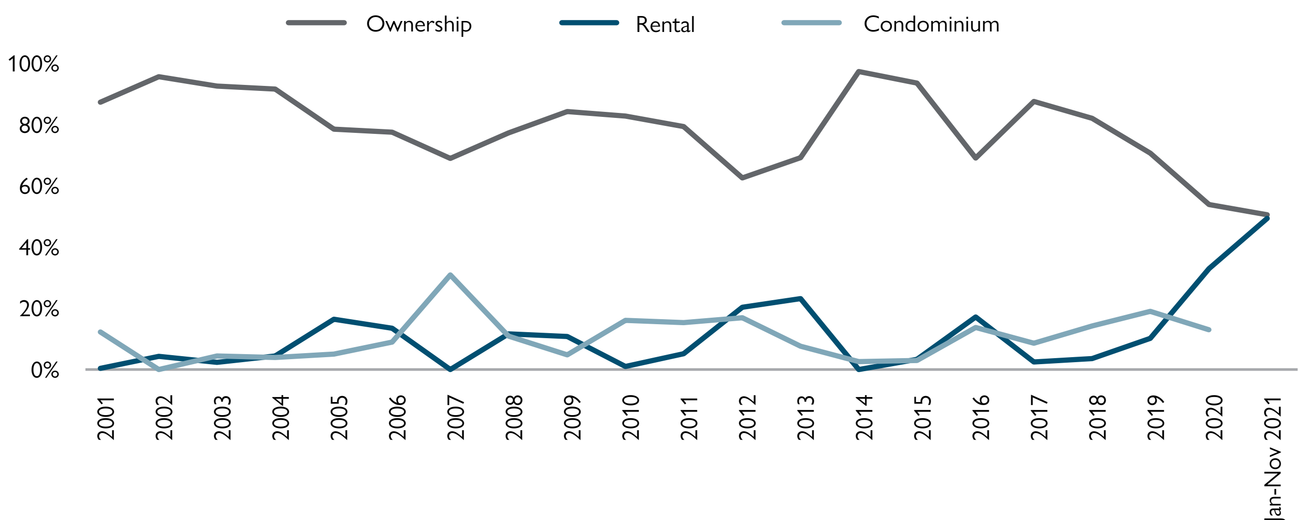
The rising cost of homeownership forced more people to seek or remain in rental accommodation. The 2021 turnover rate of 13.9%, one of the lowest in Ontario, was another indication that more households chose to stay in rental housing.

Future supply to rebalance rental conditions

The share of rental housing starts has increased since 2018 and matched the share of ownership starts by the end of 2021 (Figure 3). However, new rentals have been coming to the completion stage at a slow pace over the past three years. Due to renovations and demolitions, their modest numbers couldn't effectively increase the purpose-built rental universe. As a result, in 2021, the size of the universe remained similar to 2018 levels.

As of December 2021, the number of rental units under construction was at a 30-year high, implying that a greater number of newly constructed units will be added to the existing rental stock in the next two years. This will likely alleviate some downward pressure on the vacancy rate seen in 2021.

Figure 3: Share of housing starts by tenure (%)



Source: CMHC

Availability of affordable purpose-built rental stock is a challenge for many

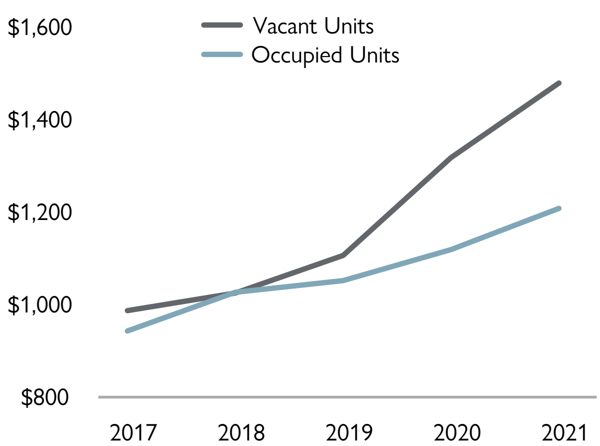
Tight rental market conditions amplified the challenges lower-income households face, who were forced to rely on the low-end market (LEM) to meet their housing needs. There were no vacancies for apartments renting below $1,000 (Table 1.4). Anecdotal evidence indicates a slow but steady loss of affordable units in the LEM and there is limited data to address this potential challenge.

To provide more information on the affordability of the purpose-built rental stock, Table 3.1.8 separates the rental universe into the number of units with rent ranges affordable to each quintile of the renter income distribution in the Peterborough CMA. The results quantify the challenges renter households in the lower quintiles of the income distribution face in finding market rental accommodation. An estimated 14% of the CMA's rental stock would be affordable to renter households in the first 40% of the income distribution with less than $36,000 annual income, while households earning more than $36,000 per year can access accommodations in the broader housing spectrum.

Vacant unit asking rents higher than occupied unit paid rents

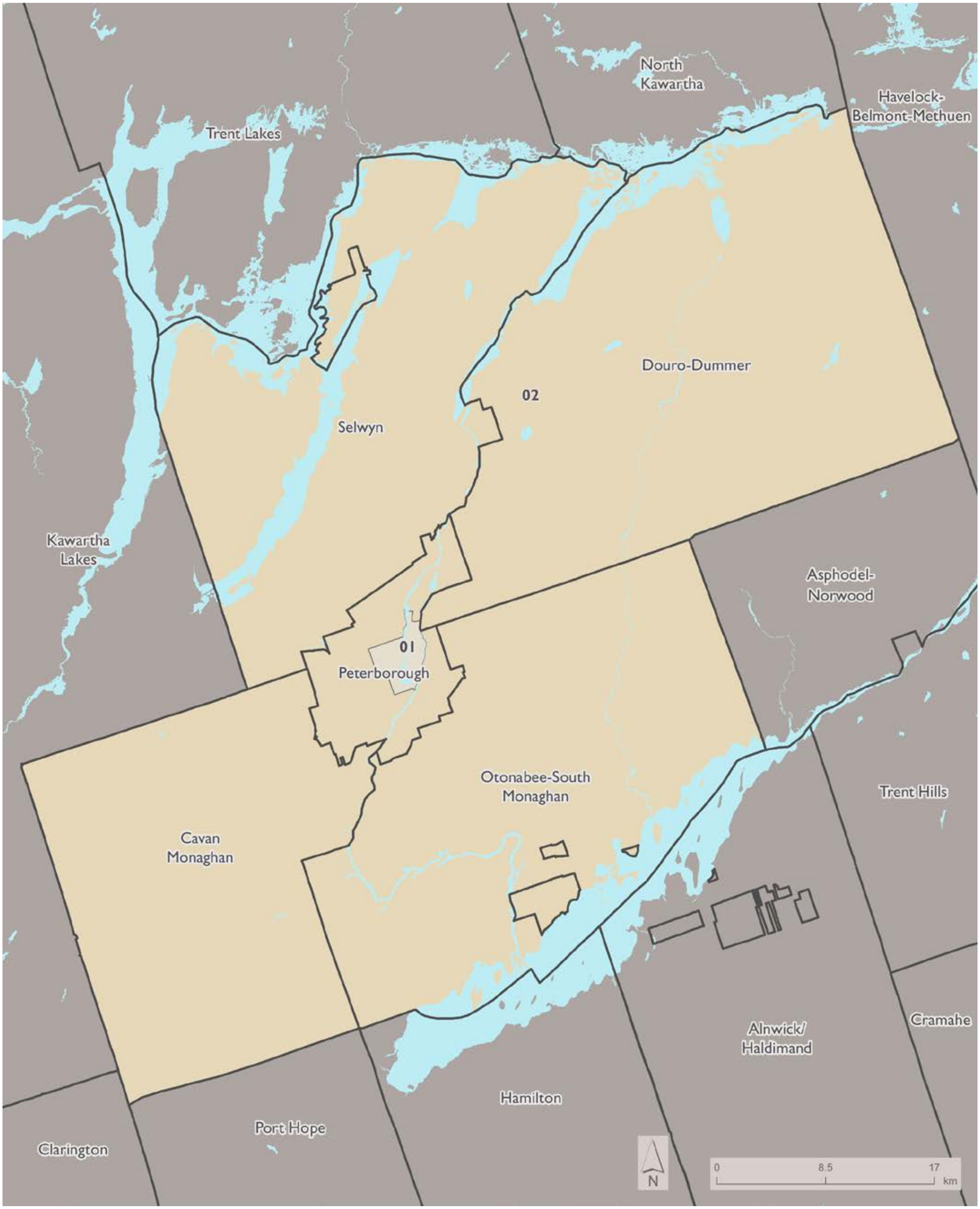
The average asking rent for vacant apartments was 22.4% higher than the average rent for occupied apartments (Table 1.1.9). This disparity in rents suggests that market rents currently faced by prospective tenants continue to see strong upward pressure due to lower vacancies. Tenants remaining in the same unit only face rent increases in line with the provincially allowable amount. In 2021, the gap in rent levels between vacant and occupied units further widened (Figure 4). As a result, longer-term tenants with lower than market rents may be less inclined to move, as reflected in the lower turnover rate of 13.9% observed in 2021 (Table 1.1.6).

Figure 4: Average rents of vacant and occupied apartments, all bedroom types



Source: CMHC

Download the Excel data table (XLSX) for this market. Data tables for all markets are also available for download at cmhc.ca/rental-market-report-data.


North Kawartha
Havelock-Belmont-Methuen
Trent Lakes
Douro-Dummer
02
Selwyn
Kawartha Lakes
Asphodel-Norwood
01
Peterborough
Otonabee-South Monaghan
Trent Hills
Cavan Monaghan
Cramahe
Alnwick/Haldimand
Hamilton
Port Hope
Clarington
N
0
8.5
17
km

RMS Zone Descriptions – Peterborough CMA

Zone 1	**Downtown** - Part of Peterborough City (Geographically: Zone 1 is bounded by Park Hill Rd. on north, Lansdowne St. on south, Ashburnham on east, Park St./Monaghan Rd. on west). Census tracts: 0005.00, 0006.00, 0007.00, 0008.00 and 0010.00.
Zone 2	**Rest of Peterborough CMA** - As well as: Selwyn TP, Douro-Dummer Tp, Otonabee-South Monaghan Tp, Cavan-Millbrook-North Monaghan TP, Curve Lake First Nation 35 IRI, and Hiawatha First Nation IRI. Census tracts: 0001.01, 0001.02, 0002, 0003, 0004, 0009.01, 0009.02, 0009.03, 0009.04, 0011, 0012, 0013, 0014, 0100, 0101, 0102.01, 0102.04, 0103, 0105.02, 0106, 0200.00, 0201.00, 9004.00 and 9005.00.
Zone 1-2	**Peterborough CMA**

Windsor

PURPOSE BUILT RENTAL MARKET

Vacancy Rate	Average Two-Bedroom Rent
3.5%	$1,154
	UP by 5.7%

Data tables from the Rental Market Survey and the Condominium Apartment Survey are available by market by clicking on the link www.cmhc.ca/rental-data-tables

"Rental housing supply kept pace with demand, resulting in a similar overall vacancy rate as the previous year."

Tad Mangwengwende
Senior Analyst, Economics

MARKET INSIGHTS

HIGHLIGHTS

The overall vacancy rate remained unchanged at 3.5% as the rental housing supply kept pace with demand.

Greater rental demand was supported by improved economic conditions, fewer renters transitioning into homeownership, more student renters and higher immigration.

Average rent growth exceeded 5% for the third consecutive year.

Vacancy rate marginally lower

The Windsor Census Metropolitan Area (CMA) was 3.5%, down slightly from 3.6% in 2020. The change from 2020 to 2021 was not statistically significant since it fell within our survey's margin of error. Rental housing supply kept pace with increased rental demand, resulting in a steady vacancy rate. Greater rental demand occurred due to several factors, notably improved economic conditions, more student renters, and fewer renters transitioning into homeownership.

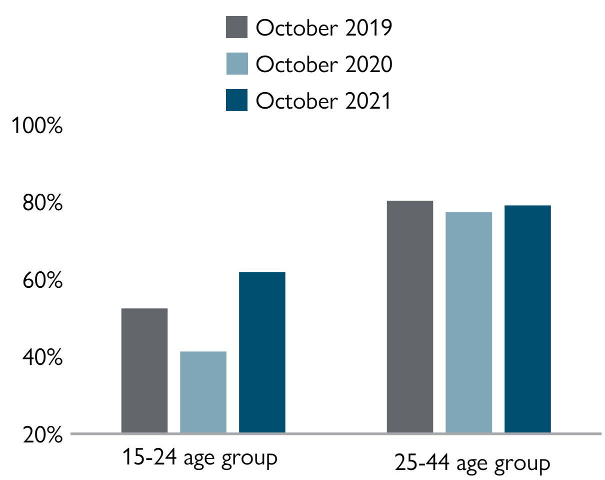
Largest rental apartment supply increase in more than ten years

The rental apartment supply increased by 245 units or 1.6% since our 2020 survey. This marked the largest annual supply increase in the CMA in more than ten years. Most of the additional supply came from one and two-bedroom units in Zone 1 – Centre. Despite the increased supply, the overall vacancy rate in Zone 1 failed to improve.

Economic recovery supported rental demand

Improved economic conditions and less uncertainty around future work prospects led to greater rental demand. Figure 1 shows that the employment rate of people in the 15 to 24 age group was significantly higher. This group is more likely to rent when they separate from their parents. Figure 1 also illustrates that a slightly larger percentage of residents in the 25 to 44 age group were also working. According to the latest Census, this group represented approximately 1 of 3 renters in the region. Job growth also occurred in service industries that generate rental housing demand, such as retail, accommodation and food services.

Figure 1: Windsor CMA employment rate



Source: Statistics Canada

Fewer renters transitioned into homeownership

Rapid growth in homeownership costs likely allowed few renters to transition into homeownership. Extreme seller's market conditions caused house prices to increase by nearly 30% since the time of our 2020 survey. Qualifying for a mortgage also became more difficult due to a higher benchmark mortgage rate, which most financial institutions use to stress test borrowers. Combined, both factors significantly reduce the options available to renters wishing to transition to homeownership.

Greater number of student renters

Many University of Windsor students returned to the classroom for the fall 2021 semester, resulting in more student renters living in Windsor CMA. This likely included more international students since Immigration Refugee and Citizenship Canada (IRCC) data show that approximately twice as many temporary residents were living in Ontario on a study permit at the time of our survey compared to the year prior.

Higher international migration also supported rental demand

According to the IRCC, Windsor CMA added nearly 2,500 new Canadian permanent residents in the 12 months since our 2020 survey. This was significantly higher than the number of new permanent residents added in the prior 12-month period.

Historical data suggests that most new permanent residents were newcomers to Canada, as opposed to temporary residents who already lived here on a work or study permit. Newcomers to Canada are far more likely to rent than own their first home.

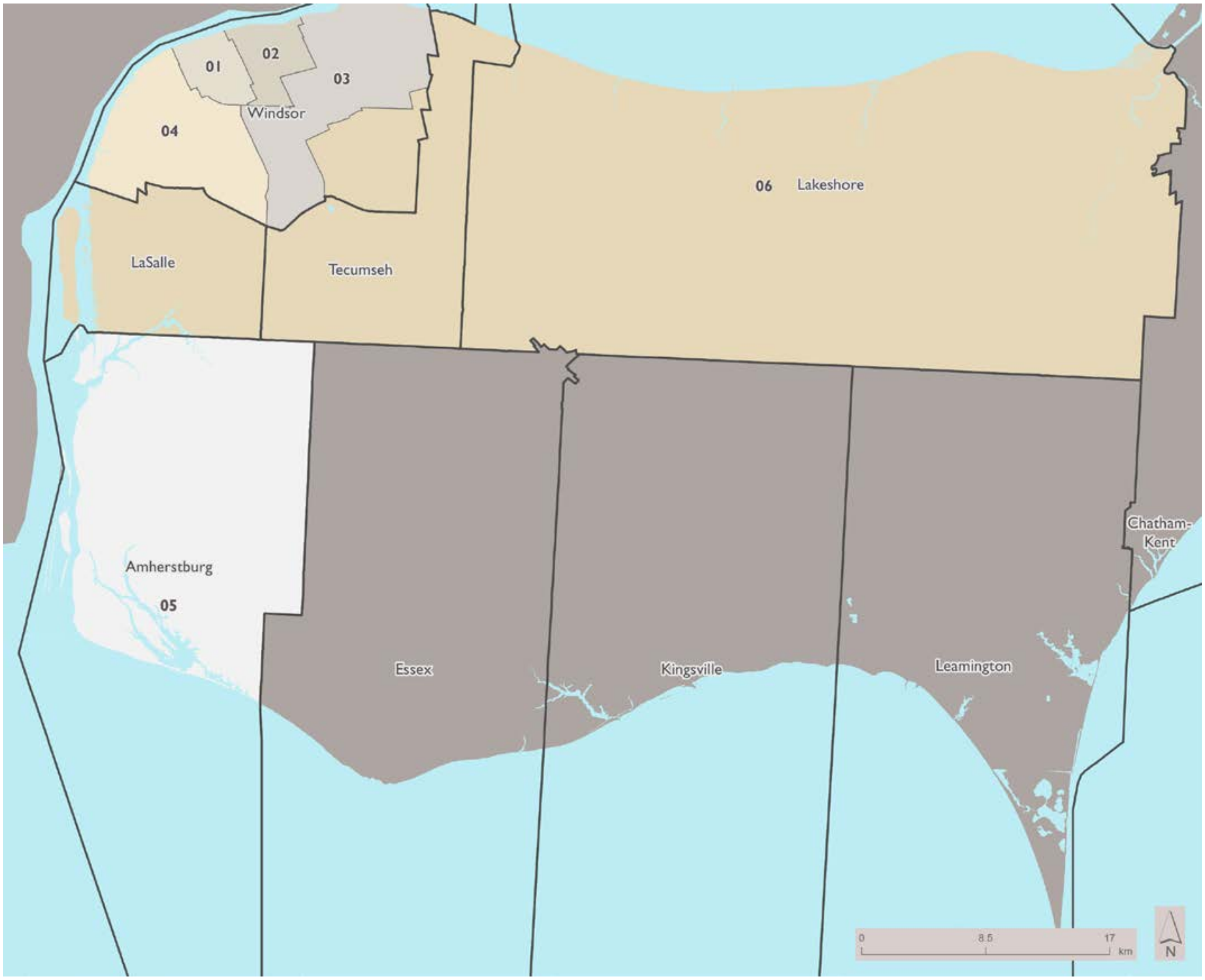
Rent growth exceeded 5% for the third consecutive year

The average rent increase in apartment structures surveyed in 2021 and 2020 was 5.9%. This marked the third consecutive year that average annual rent growth exceeded 5%. Strong rent growth occurred despite the 2021 Ontario rent freeze that applied to most of the 83% of units that did not turn over to a new tenant. Turnover rates were at pre-pandemic levels. This suggests that a higher-than-usual number of units that turned over were previously occupied by long-term tenants or underwent renovations and were re-rented at much higher rates.

Less than half of vacant units were affordable to mid-income renters

Rents have grown much faster than incomes over the past five years, leaving few affordable options for prospective low- and mid-income renters. Less than half of vacancies in 2021 were affordable, even to mid-income renters at the 60th income percentile of $48,000. To be considered affordable, a renter can spend no more than 30% of their income on rent.

Download the Excel data table (XLSX) for this market. Data tables for all markets are also available for download at cmhc.ca/rental-market-report-data.



RMS Zone Descriptions – Windsor CMA

Zone 1	**Centre** - North: Detroit River; East: Pierre, Moy Parkwood; South: C.P. Rail, Ypres Blvd.; West: Conrail.
Zone 2	**East Inner** - North: Detroit River; East: Buckingham, Raymo, Norman, Chrysler; South: C.P. Rail, Tecumseh Rd; West: Zone 1.
Zone 3	**East Outer** - North: Detroit River; East: City Limit; South: City Limit; West: Zone 2.
Zone 4	**West** - North: Conrail; East: Howard Avenue; South: City Limit; West: Zone 3.
Zones 1-4	**Windsor City**
Zone 5	**Amherstburg Twp**
Zone 6	**Rest of CMA** - Includes: Essex T., LaSalle T., Lakeshore Twp., St. Clair Beach V./ Sandwich South Twp./ Tecumseh T.
Zones 1-6	**Windsor CMA**

St. Catharines-Niagara

PURPOSE BUILT RENTAL MARKET

Vacancy Rate	Average Two-Bedroom Rent
1.9%	$1,192
	UP by 5.7%

Data tables from the Rental Market Survey and the Condominium Apartment Survey are available by market by clicking on the link www.cmhc.ca/rental-data-tables

"Market conditions tightened considerably as rental housing supply did not keep pace with stronger demand."

Inna Breidburg
Senior Analyst, Economics

MARKET INSIGHTS

HIGHLIGHTS

The overall vacancy rate in the primary rental market declined to 1.9%, owing to greater demand and marginally lower supply.

The same sample average rent increased by more than 5% for the second consecutive year.

The average gap between asking rents for vacant units and rents paid for occupied units widened.

Fast-rising rent led to below-average vacancy rates for affordable units to low- and mid-income renter households.

Considerably tighter rental market conditions

The vacancy rate in the St. Catharines-Niagara Census Metropolitan Area (CMA) dropped from 2.7% in October 2020 to 1.9% in October 2021— the second-lowest level in the past 20 years. The movement in the vacancy rate reflects an increase in rental demand combined with a modest decline in rental supply. Several factors contributed to approximately 120 additional units being rented out, including job market recovery, stronger migration and soaring ownership costs. Supply was down slightly as the permanent removal of existing units exceeded the number of new units added.

Improved labour market conditions supported rental demand

Improved labour market conditions were one of the primary drivers of the largest increase in rented apartments since 2017. While some industries continue to be negatively affected by COVID-19, overall employment recovered. Full-time work accounted for most of the employment gains of all age groups other than 15 to 24. As of October 2021, full-time employment for residents aged 25 to 44 increased by 10%.[1] According to the last census, people in this age group represent more than 30% of rental households in the region.

Robust income growth was another supporting factor. Thanks to tighter labour market conditions, average weekly wages grew by 5.4%. Some higher-paying service industries experienced solid double-digit wage growth. Furthermore, the Canada Recovery Benefit (CRB) provided support to those renters who could not work or had reduced income due to COVID-19.

Stronger migration contributed to greater rental demand

Population growth occurred in the 15 to 24 age group, a key demographic supporting rental housing demand. This was likely aided by a higher number of study permits issued for temporary residents[2] in Ontario compared to the year prior. A greater number of international students returning to the classroom likely contributed to greater rental housing demand.

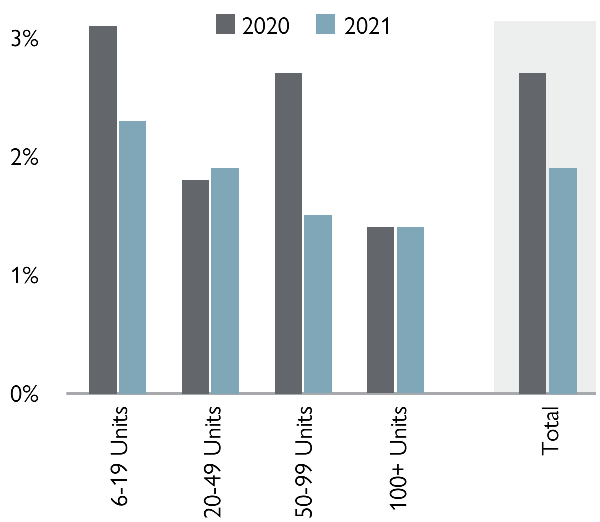
[1] Year-to-date numbers refer to the January to September period.

[2] Source: Immigration, Refugees and Citizenship Canada.

Population growth accelerated in the 25 to 44 age group owing to stronger in-migration of people from other regions of Ontario. This type of migration results from prospective homebuyers from Toronto and Hamilton CMAs seeking more affordable ownership options. It also included a larger-than-usual number of renters in 2021. Fuelled by the flexibility of remote work, young professionals from these regions moved to St. Catharines-Niagara to take advantage of lower rents.

Market intelligence also suggested that more people aged 65 and over from Toronto and Hamilton sold their homes to rent in St. Catharines-Niagara CMA. These migration trends led to greater demand for larger, higher-priced two and three-bedroom units, particularly in newer structures built in 2005 or later and in areas outside the core city centres.

Figure 1: Lower vacancy rate in larger structures



Source: CMHC
Note: Vacacny rate by structure size.

Fewer renters transitioned into homeownership

Fast-rising ownership costs allowed fewer renters to transition into homeownership in 2021. From October 2020 to October 2021, the average resale price increased by 30%. Qualifying for a mortgage also became more difficult since the benchmark mortgage rate used to stress test borrowers increased. Sales activity was significantly higher for homes that sold for $500,000 or more, well above the affordable price range of most renters from the region.

New supply more than offset by the removal of existing units

The rental universe failed to increase despite 313 new rental apartment units completions over the 12 months ending June 30, 2021 (the cut-off point for inclusion in the 2021 survey). These newly completed units were offset by the number of existing rental units removed primarily due to conversions to other uses, such as student housing or nursing homes. Some removals also occurred because the owner decided to renovate or occupy a unit.

Rent growth at near record-highs

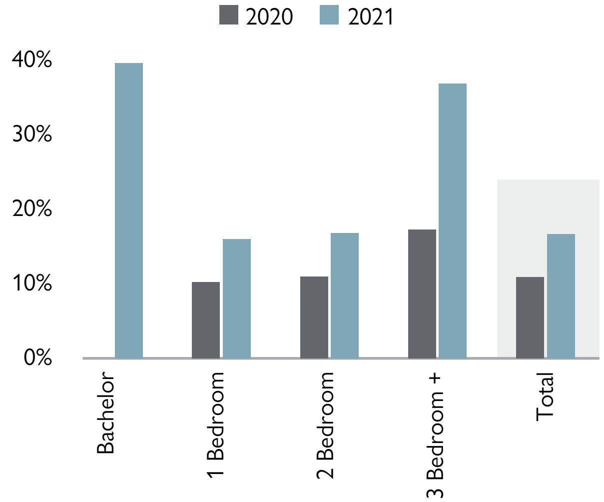
The low vacancy rate put strong upward pressure on rents in 2021. The same sample average rent for two-bedroom apartments grew by 5.7%, similar to the 6.1% growth rate in 2020. Strong rent growth was evident across all bedroom types and sub-markets. This growth occurred despite the Government of Ontario mandate to freeze 2021 rents at 2020 levels for existing tenants. Only 14% of units turned over to new tenants, unchanged from 2020.

Strong average rent growth was primarily due to a gap between rents faced by new versus long-term tenants. The average asking rent for vacant units in 2021 was 16.7% higher than rents paid for occupied units (Figure 2). However, the difference was close to 40% for scarce bachelor and three-bedroom units. The difference was particularly large in some areas, such as Niagara Falls core, at 32.2%.

Below average vacancy rate for units affordable to low- and mid-income renters

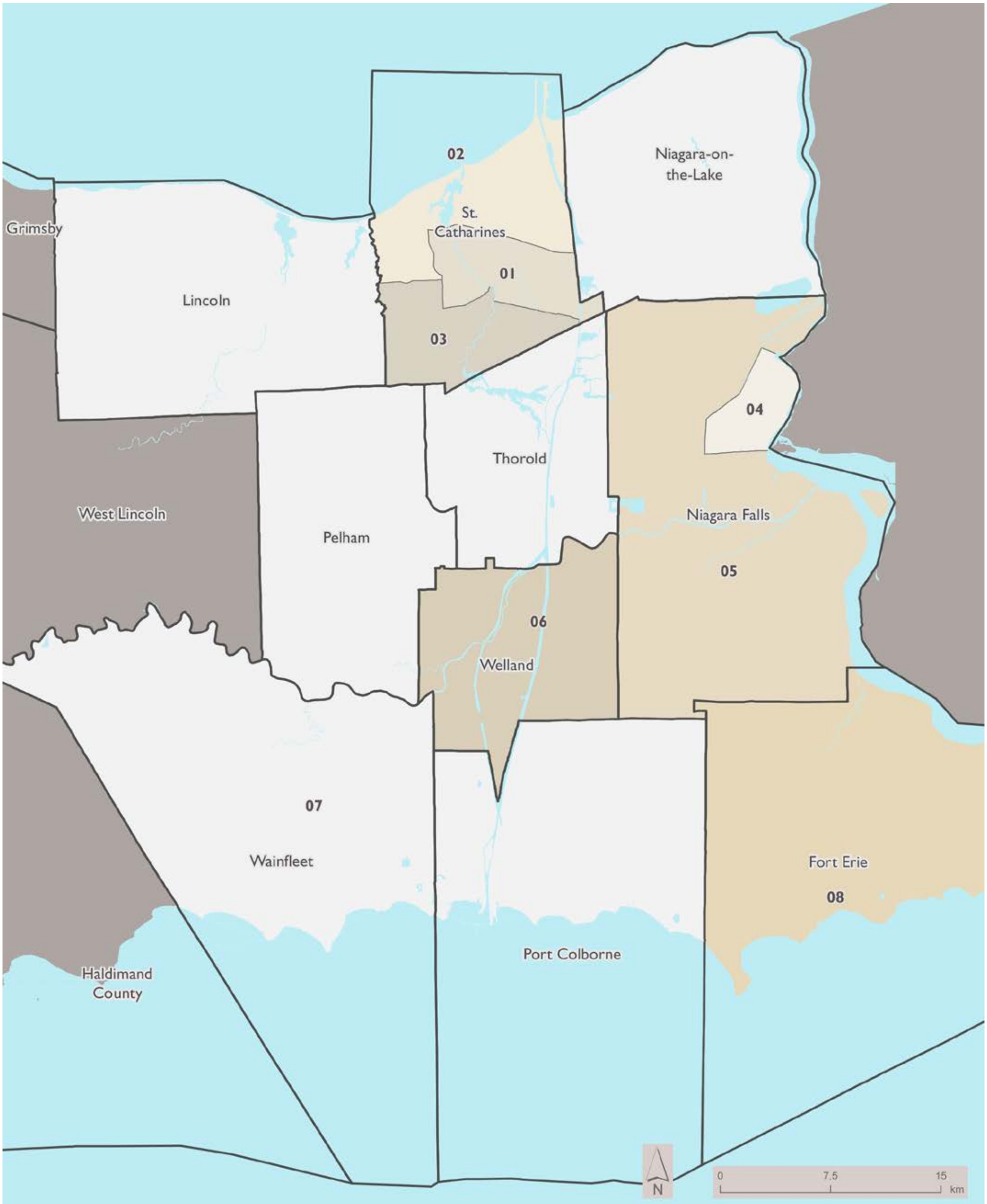
The fast-rising rents exacerbated affordability challenges for low- and mid-income renters. Below average vacancy rates of 1% and 1.1% were recorded for units that were affordable to renters with incomes of $21,000 to $36,000 and $36,000 to $48,000, respectively.

Figure 2: Larger gap (%) between rents of vacant and occupied units



Source: CMHC

Download the Excel data table (XLSX) for this market. Data tables for all markets are also available for download at cmhc.ca/rental-market-report-data.


02
St.
Catharines
01
03
Niagara-on-
the-Lake
Grimsby
Lincoln
04
Thorold
West Lincoln
Pelham
Niagara Falls
05
06
Welland
07
Wainfleet
Fort Erie
08
Port Colborne
Haldimand
County
N
0
7.5
15
km

RMS Zone Descriptions – St. Catharines CMA

Zone 1	St. Catharines (Core)
Zone 2	St. Catharines (Remainder North)
Zone 3	St. Catharines (Remainder South)
Zones 1-3	**St. Catharines City**
Zone 4	Niagara Falls (Core)
Zone 5	Niagara Falls (Remainder)
Zones 4-5	**Niagara Falls City**
Zone 6	Welland
Zone 7	Niagara-on-the-Lake, Lincoln, Wainfleet, Port Colborne, Thorold, Pelham
Zone 8	Fort Erie
Zones 1-8	**St. Catharines-Niagara CMA**

London

PURPOSE BUILT RENTAL MARKET

Vacancy Rate	Average Two-Bedroom Rent
1.9%	$1,275
	UP by 2.9%

CONDOMINIUM APARTMENT MARKET

Vacancy Rate	Average Two-Bedroom Rent
0.3%	$1,537

Data tables from the Rental Market Survey and the Condominium Apartment Survey are available by market by clicking on the link www.cmhc.ca/rental-data-tables

"The vacancy rate fell due to a significant increase in demand, while rent growth slowed. Meanwhile, affordability continues to be a concern."

Musawer Muhtaj
Senior Analyst, Economics

MARKET INSIGHTS

HIGHLIGHTS

The vacancy rate for purpose-built rental apartments decreased to 1.9% due to increased student presence, migration, and a healthier local economy.

Rent growth slowed as the average fixed-sample rent for all bedroom types increased by 3%, down from 7% in 2020.

Affordability continues to be a challenge as only 2% of the rental market universe is affordable to the lowest income quintile (annual income less than $25K).

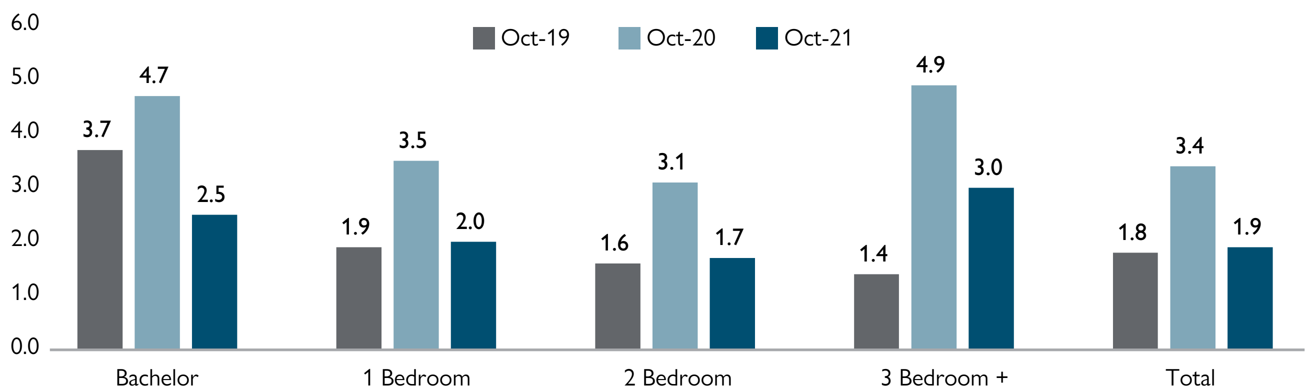
Vacancy rates lower as higher demand offset supply increase

Similar to most markets across the country, the vacancy rate for purpose-built rental apartments in the London Census Metropolitan Area (CMA) fell compared to the previous year. Our October 2021 rental market survey recorded a vacancy rate of 1.9% compared to 3.4% in 2020 (Table 1.1.1). This was the third-lowest vacancy rate on record.

The vacancy rate dropped for all bedroom types. Most notably, the vacancy rate for bachelor apartments decreased to 2.5%, which is the lowest on record. The only other time this was observed was in October of 2016. The vacancy rate for three-bedroom+ units decreased to 3% from 4.9% in October 2020, the second-largest drop amongst bedroom types. However, it remained relatively elevated compared to the low level of 1.4% in 2019.

In London, the vacancy rate decreased to 2%, while St. Thomas saw its vacancy rate increase slightly to 1.2%.

Figure 1: Private apartment vacancy rates (%) by bedroom type and year



Source: CMHC

London's rental market universe grew by another 888 units since the previous survey. This represents approximately 19% more units than in 2020, which increased the overall supply by 1.9%. Supply was met with a significant inflow of demand.

After recovering to pre-pandemic levels in February 2021, by October, London's employment sat 5% above its pre-pandemic high and 10% above its level at the same time in the previous year.[1] Migration also rose in London as of Q3 2021, as the number of permanent resident admissions exceeded that of previous years. According to data from Immigration, Refugees and Citizenship Canada (IRCC), the total number of permanent resident admissions by the end of Q3 2021 was 86% higher than the total number of admissions for all of 2020 and 20% higher than 2019. Market intelligence also suggested increased migration into London from larger city centers.

The University of Western Ontario and Fanshawe College reopening their doors to students for in-person classes played a significant role in driving up rental demand in the fall of 2021. The largest declines in vacancy rates were in areas surrounding these intuitions, namely, Zone 1 - Downtown North, Zone 4 - Northwest London, and Zone 8 - East, with respective declines of 3.5, 2.3, and 1.9 percentage points. London was not the only market to experience the impact of returning student populations. Markets with post-secondary institutions registered the largest relative increases in demand.

While there was no real change in demand between October 2019 and October 2020 due to an increased student presence, migration, and a healthier local economy, the estimated number of occupied units increased by approximately 3.5% over the 2021 survey year.

Average rent growth decelerated from 2020

The average fixed-sample rent for all bedroom types increased by 3% in 2021, down from 7% in 2020. The average fixed-sample rent for a two-bedroom apartment grew by 2.9%, down from 6.8%. This could partly be due to 2021's muted demand and a significant increase in rental supply over the last two years. The 746 units that came online in 2020 were met with little demand as London's estimated number of occupied units remained stable. However, the addition of 888 units this past year likely brought some balance to the rental market by creating more options that increased competition and put downward pressure on price growth.

Prices are still increasing. The average rent for a private apartment unit increased to $1,175 in 2021. The average price of a vacant unit ($1,193) was greater than an occupied unit ($1,175) by approximately 1.5%. Despite continuous growth over the years, average rents remain lower than the provincial average. The average rent for a bachelor unit was $780, a one-bedroom unit rented for $1,036, two-bedroom units rented for $1,275, and a unit with 3 or more bedrooms had an average rent of $1,468 (Table 1.1.2).

Households in the lowest income quintiles continued to face affordability challenges

Rental affordability weakened over the last year in London. The average household needed to work approximately 154 hours in a month to keep rent for a two-bedroom purpose-built apartment at an affordable level (30% of gross income). This is up from approximately 139 hours required in October 2020.[2] A deeper dive into the market tells us that the share of housing options available within the affordability ranges of the lowest three quintiles had reduced in comparison to 2020.[3]

According to the rental market survey (Table 3.1.8), only 2% of the rental market universe had rents lower than $625, the maximum rent households in the lowest quintile can afford. Additionally, 20.1% of the universe had rents between $625 and $899, the maximum affordability range of the second quintile, and 47.1% of the universe fell within the maximum affordability range of the third quintile with rents between $900 and $1,324). The share of housing options within the maximum affordability ranges of these three quintiles in the year prior was 2.3%, 21.6% and 48.6%, respectively.

Each quintile can afford the universe available to all the quintiles beneath it. Therefore, in 2021, 69.1% of the rental market universe was affordable to households in the third quintile compared to 72.5% in 2020. In contrast, the highest two quintiles saw an increase in the share of housing options available within their maximum affordability ranges (see Figure 2).

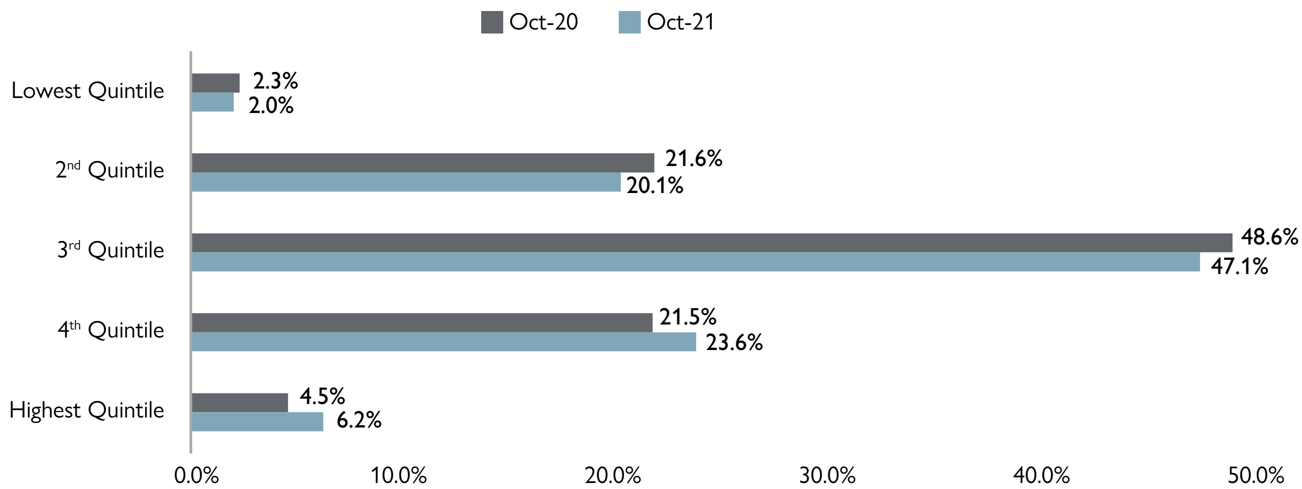
---

1 Statistics Canada Table 14-10-0380-01, Labour force characteristics, three-month moving average, seasonally adjusted.

2 Based on average hourly wage earnings from Statistics Canada in Q3 2021.

3 The rent ranges are calculated at the affordability threshold of 30% of monthly income for each quintile. Renter household income (non-subsidized, all household sizes) was derived from Census 2016 and expressed in 2021 dollars.

Figure 2: Share of universe within maximum affordable rent range of each income quintile



Source: CMHC

A minimal amount of housing is available at the two ends of the spectrum. This causes households in the lowest quintile to look for housing in more expensive and unaffordable rent ranges while causing households in the highest quintile to seek accommodation in lower rent ranges. The lack of appropriate supply crowds out renters as there are fewer affordable options in each quintile.

Between July 2018 and June 2021, there were 2,933 newly completed purpose-built rental units added to the universe, of which the majority had average rents ranging from $1,571-$2,067 (Table 3.1.7). This helps alleviate some crowding-out at the top end of the market. However, pressures at the bottom end continue to increase. New supply is needed to sufficiently accommodate households in all rent ranges, especially those in the lowest quintile.

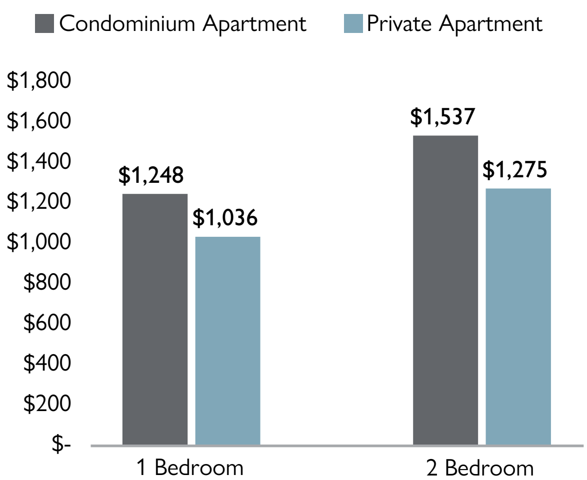
Increased rental demand for condominiums

The demand for rental condominiums continued to be strong this past year, bringing down 2020's vacancy rate of 0.6% to 0.3% as supply could not keep pace. The share of condominium units offered for rent increased by seven percentage points. The percentage of condominium units rented increased from 33.9% in 2020 to 40.4% in 2021, bringing up the number of rental condominium units to 3,179 from 2,618 since the previous survey. The CMA's share of condominium apartments in rental is higher than the 17-center average of approximately 30%.[4]

[4] The 17-centre average refers to the average share of condominium apartments held in rental across centres covered in this report that have a condominium market which total 17.

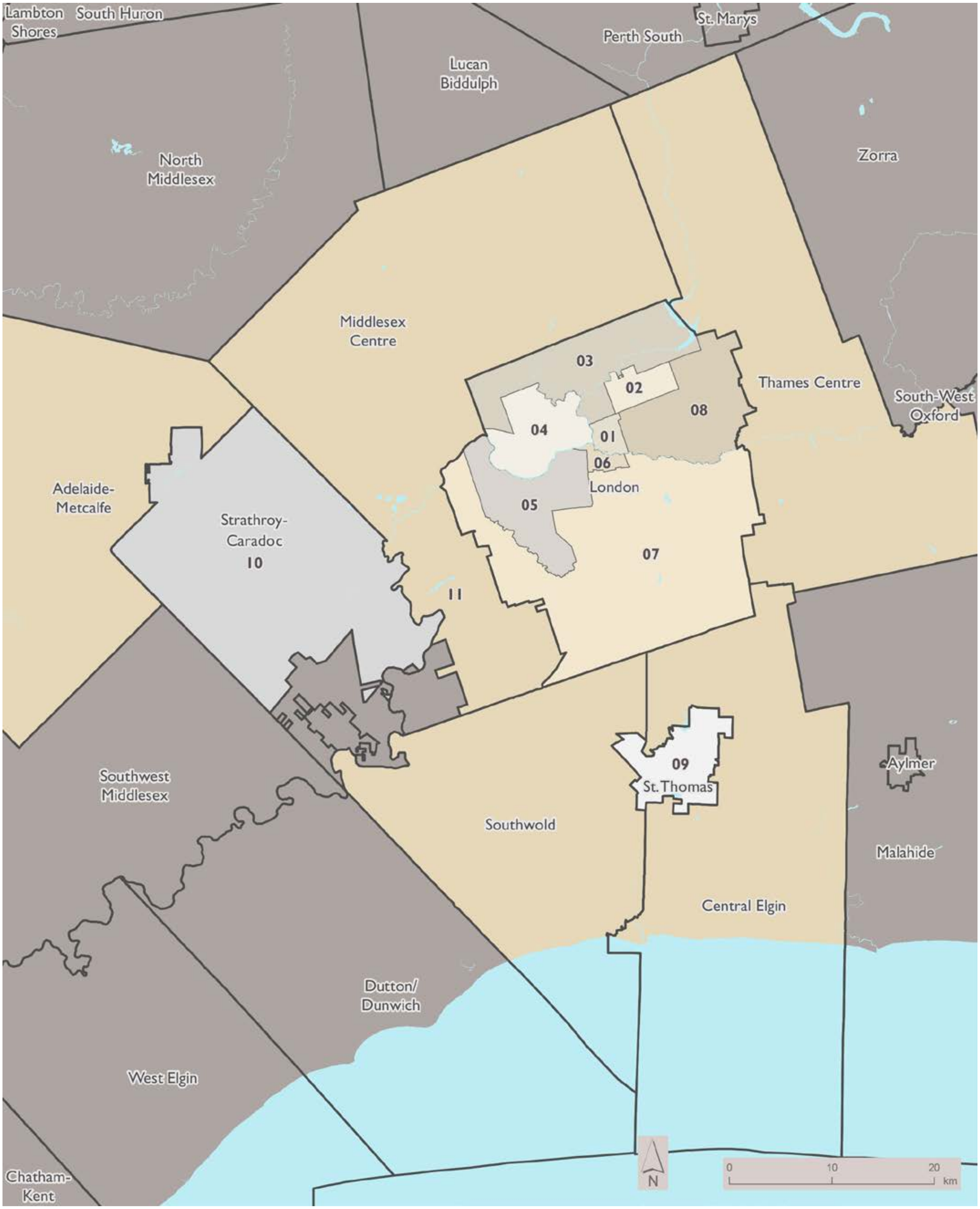
The average rent for one-bedroom and two-bedroom units was $1,248 and $1,537, respectively. The difference in average rents for these units versus their counterparts in the purpose-built rental market has increased significantly over the last few years. In 2016, the difference was 6%. That has risen to 20.5% as of 2021.

Figure 3: Average rents for condo apartments and private apartments, October 2021



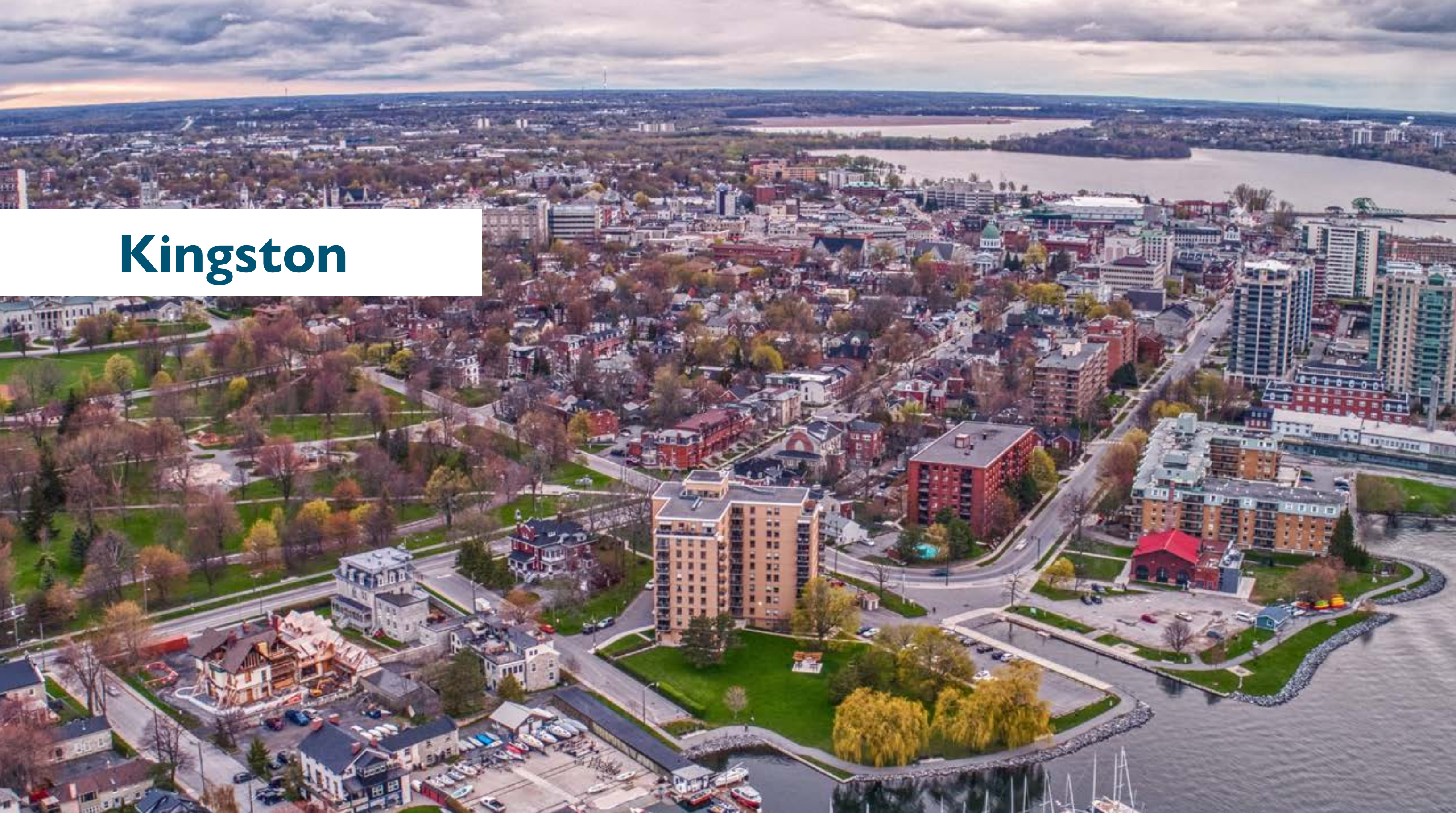
Source: CMHC

Download the Excel data table (XLSX) for this market. Data tables for all markets are also available for download at cmhc.ca/rental-market-report-data.


Lambton Shores
South Huron
St. Marys
Perth South
Lucan Biddulph
North Middlesex
Zorra
Middlesex Centre
03
02
08
04
01
06
Thames Centre
South-West Oxford
Adelaide-Metcalfe
Strathroy-Caradoc
10
London
05
07
11
09
St. Thomas
Aylmer
Southwest Middlesex
Southwold
Malahide
Central Elgin
Dutton/ Dunwich
West Elgin
Chatham-Kent
N
0
10
20
km

RMS Zone Descriptions – London CMA

Zone 1	**Downtown North** - Census tracts 0022, 0023, 0033, 0034. North to Oxford St., East to Adelaide St and bound by the Thames River to the West and South.
Zone 2	**Northeast** - Census tracts 0038, 0039, 0040, 0041, 0046, 0047, 0048. North of Oxford St., East of Adelaide St., West of Clarke Rd, North to the River and Kilally Rd.
Zone 3	**North** - Census tracts 0042, 0043, 0045, 0049.01, 0049.02, 0050.01, 0050.02, 0050.03, 0051, 0120.03. North of Oxford St. from North Thames River to Adelaide, West of Fanshawe Lake, East of Denfield, South of Medway.
Zone 4	**Northwest** - Census tracts 0008, 0009.01, 0009.02, 0020.01, 0020.02, 0021, 0044.01, 0044.02, 0044.04, 0044.05, 0044.06, 0044.07. North of Thames River, West of North Thames River, South of Fanshawe Park from Hyde Park to River, East of Hyde Park.
Zone 5	**Southwest** - Census tracts 0005.01, 0005.02, 0005.03, 0006.01, 0006.02, 0006.04, 0006.05, 0007.01, 0007.02, 0010.01, 0010.02, 0011, 0019, 0110.01. South of Thames River, East of Westdel Bourne to Dingman Creek, North of Dingman Creek, West of Bostwick & Wharncliffe.
Zone 6	**Central South** - Census tracts 0015, 0016, 0017 and 0018. Includes Old South area - East of Wharncliffe Rd, West of Adelaide St., North of Chester Rd, and South of the Thames River.
Zone 7	**South** - Census tracts 0001.02, 0001.03, 0001.05, 0001.06, 0001.07, 0001.08, 0002.01, 0002.02, 0002.03, 0002.04, 0003, 0004.01, 0004.03, 0004.04, 0012, 0013, 0014 and 0110.02. East of Woodhull Rd., South of Zone 5, 6 & 8 and south of the Thames River, West of Westchester Bourne, North of Southminster Bourne.
Zone 8	**East** - Census tracts 0024, 0025, 0026, 0027.03, 0027.04, 0027.05, 0027.06, 0027.07, 0028, 0029, 0030, 0031, 0032, 0035, 0036, 0037. East of Adelaide St, South of Oxford St (except section East of Clarke Rd) to the Eastern City boundary and down to the South branch of the Thames River.
Zones 1-8	**London City**
Zone 9	**St. Thomas**
Zone 10	**Strathroy-Caradoc TP**
Zone 11	**Rest of CMA** - Includes markets outside of what is included in Zones 1-10.
Zones 1-11	**London CMA**



Kingston

PURPOSE BUILT RENTAL MARKET

Vacancy Rate

1.4%

Average Two-Bedroom Rent

$1,402

UP by 2.9%

Data tables from the Rental Market Survey and the Condominium Apartment Survey are available by market by clicking on the link www.cmhc.ca/rental-data-tables

"Strong rental demand led to a decline in vacancy rates, notwithstanding the above-average increase in supply."

Olga Golozub
Senior Analyst, Economics

MARKET INSIGHTS

HIGHLIGHTS

Kingston's primary rental market tightened the most among 16 Ontario CMAs.

A substantial 3.8% increase in demand for rental apartments outpaced the increase in new supply.

Vacant unit asking rents lower than occupied unit paid rents, as many vacant units are pre-1960.

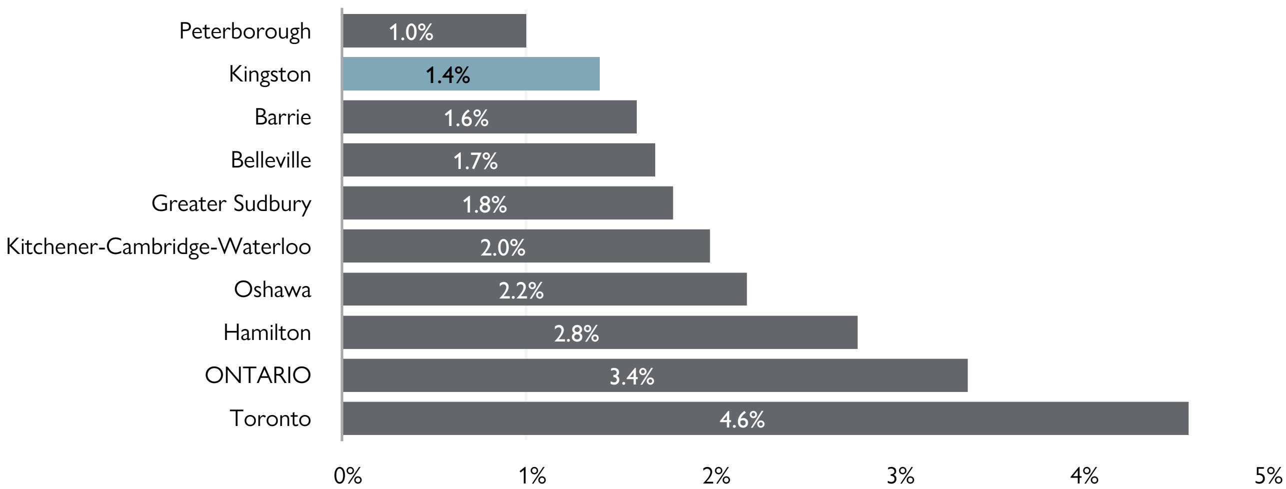
Rental affordability declines considerably for households at the lower end of the income spectrum.

Significantly tighter rental market conditions

The rental market in the Kingston Census Metropolitan Area (CMA) experienced a substantial change in 2021. The vacancy rate for private rental apartment buildings fell by 180 basis points to 1.4%, erasing the rise in vacancy rate during 2020. This was the most significant decline in the average vacancy rate among all major centres in Ontario, suggesting that the Kingston market tightened the most. In addition, the vacancy rate declined for most bedroom types.

At 1.4%, the Kingston vacancy rate was the second-lowest among all Ontario CMAs (Figure 1). The movement in the vacancy rate reflects a substantial 3.8% increase in demand, measured by the number of occupied units and the 5-year high increase in supply.

Figure 1: Kingston 2021 vacancy rate one of the lowest in Ontario



Source: CMHC

Vacancy rates declined in three of four submarkets

Significant tightening of rental market conditions occurred in the more centrally located areas of Zone 1 – Downtown and Zone 2 – Southwestern Kingston, where the vacancy rate decreased by 350 and 230 basis points, respectively, alleviating the increase in vacancies of the previous two years. These two submarkets benefit from a large student population. With post-secondary education returning to in-person learning, many students attending Queen's University and St. Lawrence College returned to the region, adding to the demand for rental housing. The supply of units in these two areas didn't increase in 2021, suggesting that the decrease in vacancy rates was purely attributable to the increase in demand.

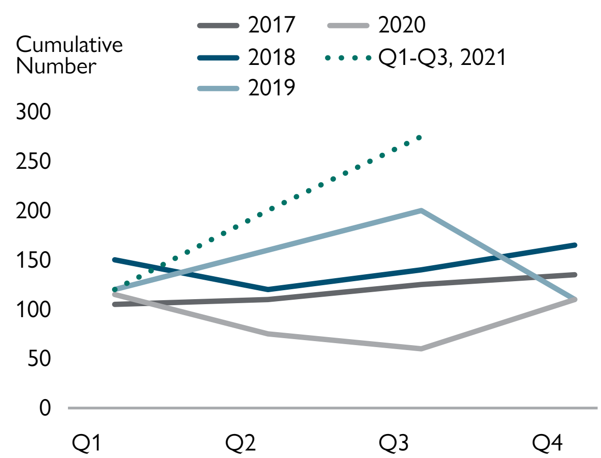
Supply increases, a net of 276 units (1.9% increase) and the highest in the past 5 years, were concentrated in the other two CMA's submarkets, Zone 3 – Northern Kingston and Zone 4 – Remainder of CMA. An increase in supply in Northern Kingston (Zone 3) was enough to satisfy rental demand, resulting in a stable vacancy rate. The vacancy rate for the remainder of the CMA (Zone 4) declined to 1.1%, the lowest level in the past three years.

Several factors contributed to the stronger rental demand this year, including improved labour market conditions, stronger student and migration inflows and elevated ownership costs.

Stronger migration and labour market conditions contributed to greater demand

Recent population estimates indicated an influx of migration to Kingston CMA. This influx was driven by migrants from other Ontario cities and permanent residents from other countries. In the first nine months of 2021, the number of permanent resident admissions to Kingston CMA was 2.4% higher than a year ago (Figure 2). Census data indicates that international migrants have a high propensity to rent. In addition, a rebound in employment for those aged 25 to 44 brought a steady inflow of new tenants into rental housing, pushing vacancy rates lower. Income growth was another supporting factor for stronger demand, growing by 3.1% year-over-year. Furthermore, the Canada Recovery Benefit provided support for renters unable to work or who experienced reduced income because of COVID-19.

Figure 2: Cumulative number of permanent resident admissions by year



Source: IRCC, September 30, 2021

Rising homeownership costs forced more people to seek and remain in rental accommodation

This year, fewer renters may have transitioned into homeownership, as vacancy rates for units with higher rents declined the most. According to Table 1.4, the vacancy rate for units renting above $1,100 declined by two percentage points, the biggest decline among all rent ranges. Renters in these units are more likely to move into homeownership since their monthly housing expenses are comparable to those of homeownership.

Fewer renters may become homeowners due to the fact that a smaller proportion of them could afford to buy Kingston's average-priced resale home. In 2021, home prices in the Kingston CMA reached unprecedented levels. The average price of a resale home surpassed $600,000, an increase of more than 25% compared to 2020. The income required to purchase a home remained well above the actual average income, pushing homeownership out of reach for most potential first-time buyers.

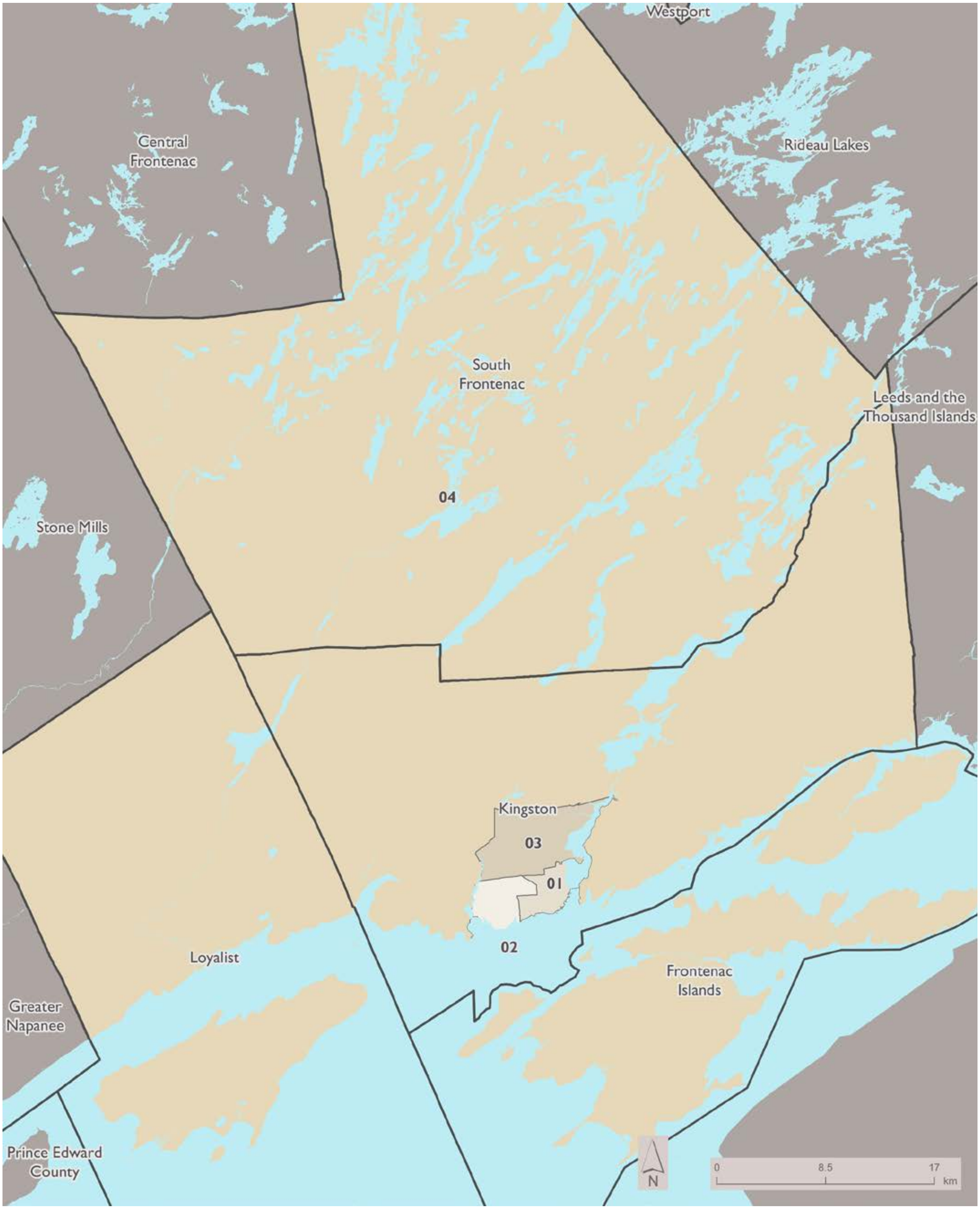
Vacant unit asking rents lower than occupied unit paid rents

According to Table 1.1.9, the average asking rent for vacant apartments was 4.5% lower than the average rent for occupied apartments in 2021. Similarly, the average asking rent in 2020 was 2.5% lower than the average rent for occupied units. The rent disparity suggests an increased competition for tenants, allowing some renters to trade up in the rental market. The vacancy rate was the highest among older rental structures (Table 1.2.1). Generally, this type of accommodation offers the least expensive units. Greater availability of these units in 2021 resulted in lower asking rents than occupied unit paid rents. The higher turnover rate supports improved rental mobility. At 21.9%, it remains one of the highest in Ontario.

Affordable rental stock availability is a challenge for many

Tight rental market conditions amplified the challenges faced by lower-income households, forced to rely on the low-end of the market to meet their housing needs. Table 3.1.8 separates the rental universe into the number of units with rent ranges affordable to each quintile of the renter income distribution in the Kingston CMA. The results quantify the challenges renter households in the lower quintiles of the income distribution face in finding market rental accommodation. An estimated 10% of the CMA's rental stock would be affordable to renter households in the first 40% of the income distribution with less than $36,000 annual income. Monthly rent of less than $900 would be affordable to this group. Yet, the vacancy rate for units in this rent range was low, at 0.6%. By contrast, households earning more than $36,000 per year can access accommodations in the broader housing spectrum.

Download the Excel data table (XLSX) for this market. Data tables for all markets are also available for download at cmhc.ca/rental-market-report-data.



Westport
Central Frontenac
Rideau Lakes
South Frontenac
Leeds and the Thousand Islands
04
Stone Mills
Kingston
03
01
02
Loyalist
Frontenac Islands
Greater Napanee
Prince Edward County
N
0
8.5
17
km

RMS Zone Descriptions – Kingston CMA

Zone 1	**Downtown Kingston** - Southern and Eastern boundaries determined by Lake Ontario and the Cataraqui River respectively. Western boundary determined by the following streets: Sir John A Macdonald, Albert, Princess, Division and Montréal. Northern boundary determined by the following streets: Concession, Joseph and Railway.
Zone 2	**Southwestern Kingston City** - Southern and Western boundaries determined by Lake Ontario and the Little Cataraqui River respectively. Eastern boundary abuts Zone 1.
Zone 3	**Northern Kingston City** - Southern boundary determined by Zones 1 and 2. Eastern, Northern and Western boundaries determined by Kingston's former city limits.
Zone 4	**Rest of Kingston CMA**
Zones 1-4	**Kingston CMA**

Toronto

PURPOSE BUILT RENTAL MARKET

Vacancy Rate	Average Two-Bedroom Rent
4.4%	$1,666
	UP by 1.5%

CONDOMINIUM APARTMENT MARKET

Vacancy Rate	Average Two-Bedroom Rent
1.6%	$2,355

Data tables from the Rental Market Survey and the Condominium Apartment Survey are available by market by clicking on the link www.cmhc.ca/rental-data-tables

"Demand in the purpose-built rental market continued to be adversely affected by the pandemic, while demand returned to pre-pandemic levels for condominium rentals."

Dana Senagama
Senior Specialist
MARKET INSIGHTS

Christopher Zakher
Senior Analyst, Economics
MARKET INSIGHTS

HIGHLIGHTS

The lingering effects of the pandemic continued to impact demand in the purpose-built rental market negatively and led to a second consecutive annual increase in the vacancy rate.

Despite increased rental supply, the stock of units more affordable to low- and middle-income renter households declined.

Average rent growth for apartments slowed to its lowest level since 2007 owing to increased competition among landlords and provincial pandemic response measures limiting rent increases for existing tenants.

The vacancy rate in the condominium rental apartment market held steady as a substantial increase in demand was met by a comparable supply response.

Vacancy rate increased for the second year in a row

Less demand and more supply caused the average purpose-built rental apartment vacancy rate to increase for a second consecutive year in the Greater Toronto Area (GTA), reaching its highest level on recent record. It moved to 4.4% in 2021, up from 3.4% a year ago (Table 1.1.1).

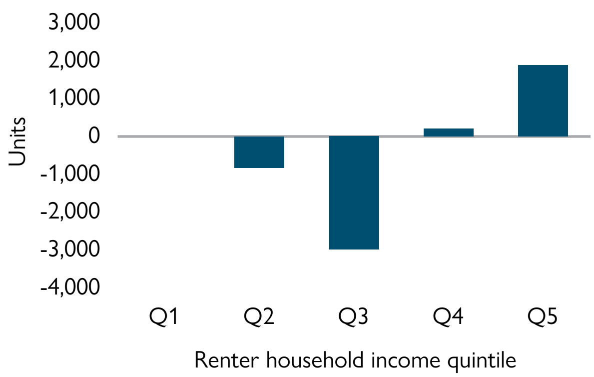
Worth noting is that the 10-year historical average for the vacancy rate in the GTA was just under 2%, which suggests a persistent supply-to-demand challenge over much of the last decade. As well, vacancy rates for less expensive units more affordable to low-to-middle income renter households remained well below the GTA average in 2021 (see Tables 1.4 and 3.1.8).

Economic impact of COVID-19 and competition from condo rentals impacted demand negatively

Throughout 2020 and 2021, Ontario faced more stringent COVID-19 pandemic containment measures compared to other regions of the country. Within the province, these measures were often implemented first, lasted longer, and were more pronounced in the GTA, where virus case counts tended to be higher over the pandemic's successive waves.

The measures continued to disproportionately impact service-sector industries that were more reliant on in-person interactions. This delayed the economic recovery for segments of the population that were more likely to rent, such as youth and low-to-middle income households. The decline in rental demand for the latter is likely observed in Figure 1 (i.e., fewer units affordable to households in the second- and third-income quintiles were occupied in 2021 as compared to 2020).

Figure 1: Annual change in the number of occupied purpose-built rental units (apartment and townhome) affordable* to each renter household income quintile in the Greater Toronto Area, 2021 v. 2020**



Sources: CMHC; Statistics Canada Census 2016; CMHC calculations
* At 30% of monthly income for each income quintile.
** Data for the first renter household income quintile is suppressed.
Note: While each successive income quintile can afford a larger cumulative portion of the purpose-built rental universe, the calculations for this figure were based on the discrete share of the universe associated with each quintile's income range (as reflected in table 3.1.8).

Another factor keeping vacancy rates elevated in the GTA, especially within Toronto's urban core, was the continuance of remote working arrangements for many workers. Data from the Toronto Region Board of Trade's Recovery Tracker/TELUS Insights indicated that the volume of in-person workers in the metropolitan center and the financial district was down 31% and 77%,[1] respectively, in October 2021 relative to the same month in pre-pandemic 2019.

With the ability to work remotely, many renters left the urban core searching for less expensive accommodation elsewhere. While some returned in the latter months of 2021, it was not enough to reverse the move from the area observed in the 2020 data, nor was it enough to absorb additional supply. Consequently, the vacancy rate in the Former City of Toronto increased from 5.8% to 6.7% in 2021, remaining the highest among the GTA's different sub-markets.

Finally, a considerable number of condominium apartments entered the GTA's long-term rental market in 2021 - nearly seven times the number of purpose-built apartments added. This was likely due in part to stricter regulations in place for short-term rentals. A notable increase in the supply of condominium rental units may have drawn some demand away from the purpose-built apartment market and contributed to its higher vacancies. Further details on the condominium segment of the rental market can be found in the final three sub-sections of the Toronto report.

Rising cost of homeownership likely increased rental demand among higher-income renters

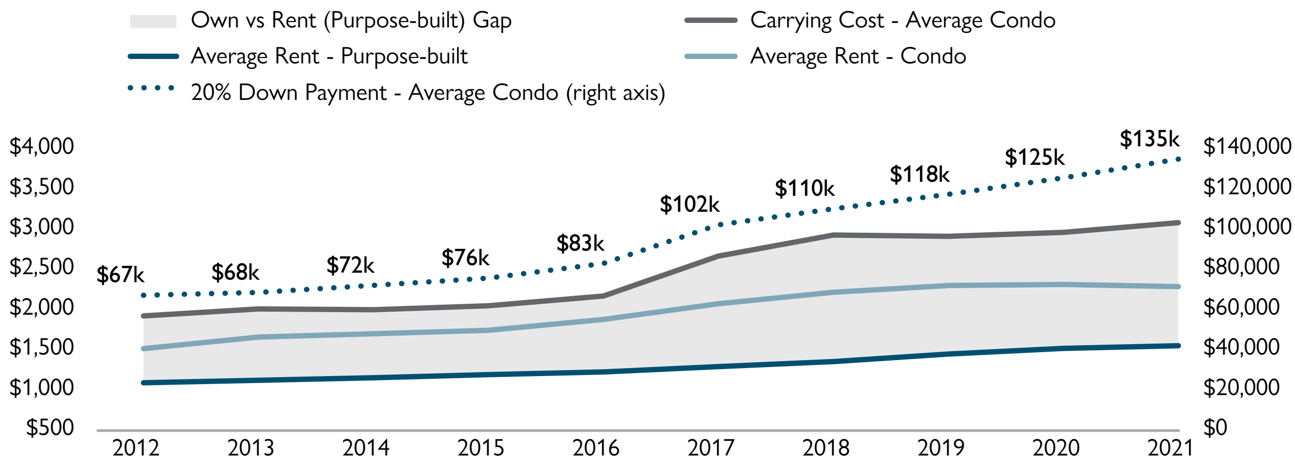
As per Figure 1, rental demand increased for units that would only be affordable to those earning higher incomes (i.e., those in the fourth- and fifth-income quintiles). Demand among these presumed higher-income renters was likely attributable to those at the margin between renting and owning.

It's safe to assume that a share of these individuals either did not have the necessary down payment or could not afford the monthly carrying costs associated with entry-level homeownership (the average condominium), both of which increased in 2021 (Figure 2). The nearest substitutes would have been high-end purpose-built or condominium apartment rentals, which both saw increased demand. Comparatively higher vacancies for these more expensive units throughout the pandemic provided ample options for prospective renters.

Despite this assumption, higher-income renters could not offset the lost demand from low-to-middle income earners.

[1] Toronto Region Board of Trade, "Recovery Tracker Charts," COVID-19 Support and Resources for Businesses, last modified November 10, 2021, https://supportbusiness.bot.com/ready-toronto/recovery-tracker-charts.

Figure 2: Monthly rent and carrying cost of ownership



Sources: CMHC, TRREB. CMHC calculations
Note: Carrying cost includes mortgage payment (conventional with 25 year amortization and discounted 5-year rate) with a 20% down payment, average condominium fees and average property taxes.

Rental supply expanded, but units affordable to low- and middle-income renters declined

When accounting for changes to existing structures, demolitions, conversions, and new construction, the GTA's purpose-built rental apartment universe expanded by 1,609 units or 0.5% in 2021 (Table 1.1.3). This pace of growth was above the 10-year historical average.

The stock of row and apartment units affordable, at 30% of monthly income, to low- and middle-income renter households decreased from the previous year, down 0.6% and 0.4% for the second- and third-income quintiles, respectively. The physical removal of units from the survey universe was the most likely explanation for the decline. Our data indicates that removals in 2021 due to demolition, condominium conversion, or for the owners' own use, were concentrated mainly in the City of Toronto.

Meanwhile, the average rent for new supply - completed over the three years ending in June 2021 - entering the market was 43% higher than the average market rent for all units. Using the 30% of income approach, these newer units, renting for an average of $2,222 (Table 3.1.7), would only be affordable to higher-income renter households in the fourth- and fifth-income quintiles.

Rent growth in purpose-built market slowed to lowest level since 2007

Same-sample average apartment rents[2] increased by 1.3% (Table 1.1.5). This was notably lower than the increase recorded in 2020 (4.7%) and was the lowest rate of growth observed since 2007. This slow increase was attributable to more competition among landlords and provincial pandemic response measures limiting rent increases for existing tenants. In the City of Toronto, more heavily impacted by the pandemic, growth was lower at 0.7% (down from 4.6% in 2020).

[2] Comparing rents for units that were common to both the 2020 and 2021 October Rental Market Surveys (i.e., same-sample average rents) provides an indication of rent increases paid by most tenants.

Condo rental market remained tighter than purpose-built rental market

The average rental condominium apartment vacancy rate held steady in 2021 at 1.6%[3] (Table 4.1.1). A strong increase in demand was met by comparable supply, which kept the vacancy rate stable.

While the economic fallout from the pandemic impacted more renters in the purpose-built rental market, higher income earners were not deterred from renting in the condominium market. Despite average condominium apartment rents being 45% higher than in the purpose-built market (Table 4.1.2), those renting in the condominium market tend to be young professionals earning higher incomes–often employed in finance or technology fields in the downtown core. These industries were hardly impacted by the ongoing pandemic.

The gradual return to in-person learning at local post-secondary institutions was an additional factor contributing to demand as it brought some students back to the condominium rental market.

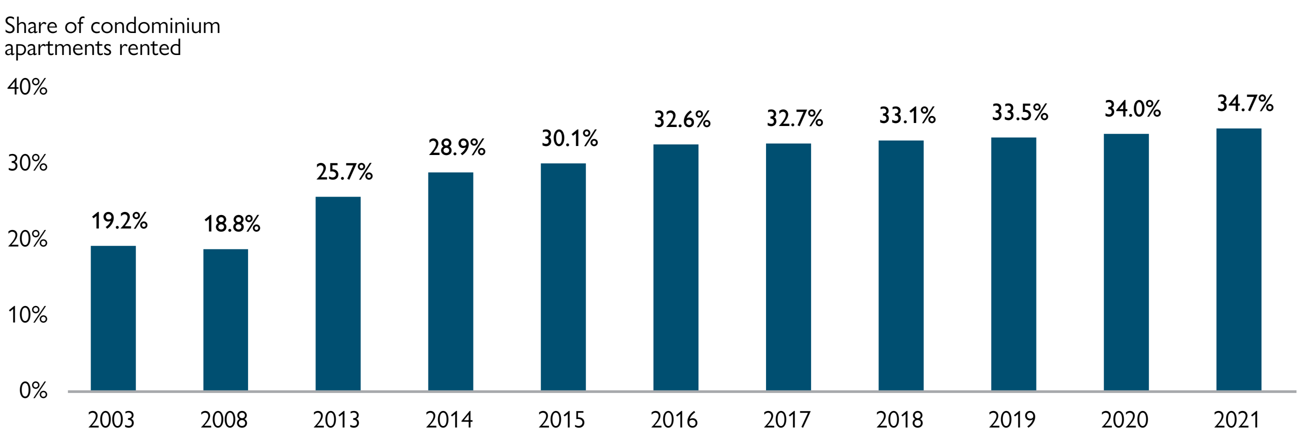
Fewer newly built condominium apartments added to rental market

The overall rate of condominium apartment completions increased in the 12 months ending May 2021, which was the cut-off point for the condominium survey. Compared to the previous year, the completions were up by 47%, or 22,380 units. The higher completion rate was mainly due to the easing of logistical constraints imposed on builders during the pandemic lockdowns.

Unlike in previous years, fewer newly built condominium units ended up in the rental market in 2021. Over the past six years, leased units accounted for about 50% of newly completed units added to the condominium apartment universe. In 2021, only about 37% of new stock was rented. Record-breaking price appreciation in the resale home market during 2021 likely encouraged some condominium owners to sell their units instead of making them available for rent.

The majority of the rental condominium apartment units added to the universe in 2021 were from existing structures. As per Table 4.3.1, the rental condominium apartment stock increased by 7% in 2021 from the previous year and surpassed the total condominium apartment universe growth of 5%. With stricter regulations on short-term rentals in effect within the City of Toronto, more landlords converted short-term rental units into long-term rentals. The share of long-term investor-held condominium apartments was 34.7% in 2021 (Figure 3).

Figure 3: Over one-third of the Greater Toronto Area condominium apartments are rented out



Source: CMHC

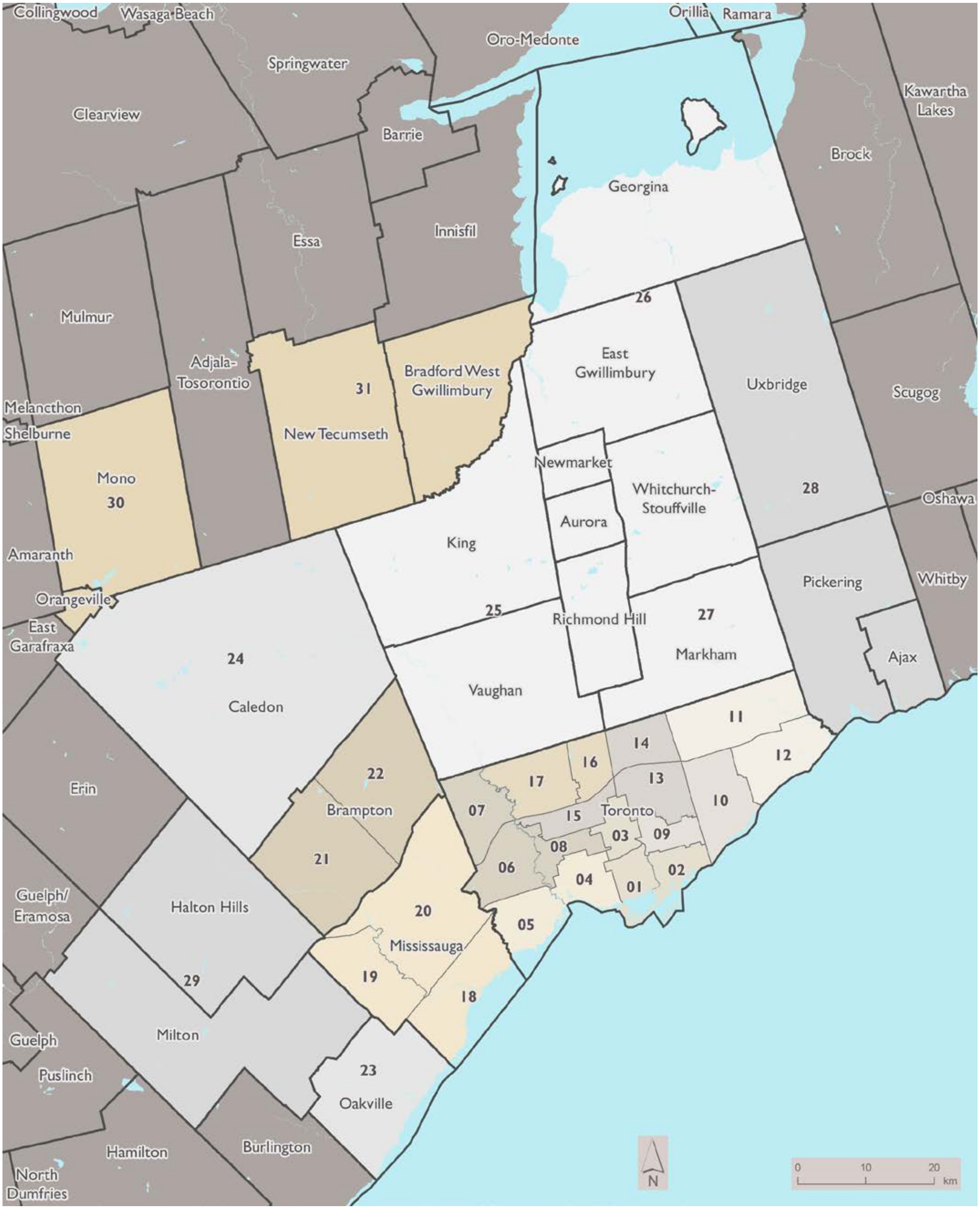
[3] The average condominium apartment vacancy rate was statistically unchanged from 2020.

Rent growth remained stagnant for condo apartment rentals

Despite a comparatively lower vacancy rate for rental condominium apartments, economic uncertainty resulting from the ongoing pandemic forced landlords to keep rents low and competitive to retain tenants. As a result, compared to the previous year, there was no significant percentage change in the same-sample average rent for condominium apartments during 2021. This emphasized the precarious economic climate and the uncertainty surrounding it.

With a gradual easing of restrictions and economic activity returning to pre-pandemic levels, rent growth in the condominium apartment market will likely resume. The high cost of homeownership has been the key driver of condominium rental demand and will continue to be a factor following a recovery from the pandemic.

Download the Excel data table (XLSX) for this market. Data tables for all markets are also available for download at cmhc.ca/rental-market-report-data.


Collingwood
Wasaga Beach
Orillia
Ramara
Oro-Medonte
Springwater
Clearview
Barrie
Kawartha Lakes
Brock
Georgina
Innisfil
Essa
Mulmur
26
East Gwillimbury
Adjala-Tosorontio
Bradford West Gwillimbury
31
Uxbridge
Scugog
Melancthon
Shelburne
New Tecumseth
Newmarket
Whitchurch-Stouffville
Mono
30
28
Oshawa
Aurora
King
Amaranth
Pickering
Whitby
Orangeville
25
Richmond Hill
27
East Garafraxa
Markham
Ajax
24
Caledon
Vaughan
11
14
12
22
16
17
13
Erin
Brampton
07
15
Toronto
10
03
09
08
21
06
04
02
01
Guelph/Eramosa
Halton Hills
20
05
Mississauga
29
19
18
Guelph
Milton
Puslinch
23
Oakville
Hamilton
Burlington
North Dumfries
N
0
10
20
km

RMS Zone Descriptions – Toronto CMA

Zone 1	**Former City of Toronto (Central)** - North: C.P.R. Line; East: City Limit & Don River; South: Lake Ontario; West: Bathurst St. (East Side); Census tracts - 0002, 0011, 0012.01, 0012.03, 0012.04, 0013.01, 0013.02, 0014, 0015, 0016, 0017, 0030, 0031, 0032, 0033, 0034.01, 0034.02, 0035, 0036, 0037, 0038, 0039, 0059, 0060, 0061, 0062.01, 0062.02, 0063.03, 0063.04, 0063.05, 0063.06, 0064, 0065.01, 0065.02, 0066, 0067, 0068, 0086, 0087, 0088, 0089, 0090, 0091.01, 0091.02, 0092 and 0093.
Zone 2	**Former City of Toronto (East)** - North: City Limit; East: City Limit; South: Lake Ontario; West: Don River; Census tracts - 0001, 0018, 0019, 0020, 0021, 0022, 0023, 0024, 0025, 0026, 0027, 0028.01, 0028.02, 0029, 0069, 0070, 0071, 0072.01, 0072.02, 0073, 0074, 0075, 0076, 0077, 0078, 0079, 0080.01, 0080.02, 0081, 0082, 0083, 0084 and 0085.
Zone 3	**Former City of Toronto (North)** - North: City Limit; East: City Limit; South: C.P.R. Line; West: City Limit (Bathurst St. East Side); Census tracts - 0117, 0118, 0119, 0120, 0121, 0122, 0123, 0124, 0125, 0126, 0127, 0128.02, 0128.04, 0128.05, 0128.06, 0129, 0130, 0131, 0132, 0133, 0134, 0135, 0136.01, 0136.02, 0137, 0138, 0139.01, 0139.02, 0140, 0141.01, 0141.02 and 0142.
Zone 4	**Former City of Toronto (West)** - North: City Limit; East: Bathurst St. (West Side); South: Lake Ontario; West: City Limit; Census tracts 0003, 0004, 0005, 0006, 0007.01, 0007.02, 0008.01, 0008.02, 0009, 0010.01, 0010.02, 0040, 0041, 0042, 0043, 0044, 0045, 0046, 0047.02, 0047.03, 0047.04, 0048, 0049, 0050.01, 0050.03, 0050.04, 0051, 0052, 0053, 0054, 0055, 0056, 0057, 0058, 0094, 0095, 0096.01, 0096.02, 0097.01, 0097.03, 0097.04, 0098, 0099, 0100, 0101, 0102.02, 0102.03, 0102.04, 102.05, 0103, 0104, 0105, 0106, 0107, 0108, 0109, 0110, 0111, 0112, 0113, 0114, 0115 and 0116.
Zones 1-4	**Former City of Toronto**
Zone 5	**Etobicoke (South)** - North: Bloor St. West; East: Humber River; South: Lake Ontario; West: Etobicoke Creek; Census tracts 0200.01, 0200.02, 0201, 0202, 0203, 0204, 0205, 0206.01, 0206.02, 0207, 0208, 0209, 0210.01, 0210.02, 0211, 0212, 0213.01, 0213.02, 0214, 0215, 0216, 0217, 0218, 0219 and 0220.
Zone 6	**Etobicoke (Central)** - North: Highway 401; East: Humber River; South: Bloor St. West; West: Etobicoke Creek; Census tracts - 0221.01, 0221.02, 0222.01, 0222.02, 0223.01, 0223.02, 0224, 0225.01, 0225.02, 0226, 0227, 0228, 0229, 0230.01, 0230.02, 0231, 0232, 0233, 0234, 0235.01, 0235.02, 0236.01, 0236.02, 0237.01, 0237.02, 0237.03, 0238.01, 0238.02, 0239, 0240.01, 0240.02, 0241, 0242, 0243.01 and 0243.02.
Zone 7	**Etobicoke (North)** - North: Steeles Ave.; East: Humber River; South: Highway 401; West: Etobicoke Creek; Census tracts - 0244.01, 0244.02, 0245, 0246, 0247.01, 0247.02, 0248.02, 0248.03, 0248.04, 0248.05, 0249.01, 0249.03, 0249.04, 0249.05, 0250.01, 0250.02, 0250.04 and 0250.05.
Zones 5-7	**Etobicoke**
Zone 8	**York City** - Census Tracts 0150, 0151, 0152, 0153, 0154, 0155, 0156.01, 0156.02, 0157, 0158, 0159.01, 0159.02, 0160, 0161, 0162, 0163, 0164, 0165, 0166, 0167.01, 0167.02, 0168, 0169.01, 0169.02, 0170, 0171, 0172, 0173, 0174, 0175.01, 0175.02 and 0176.
Zone 9	**East York (Borough)** - Census tracts - 0180, 0181.01, 0181.02, 0182, 0183.01, 0183.02, 0184.01, 0184.02, 0185.01, 0185.02, 0186, 0187, 0188, 0189, 0190.01, 0190.02, 0191, 0192, 0193, 0194.01, 0194.02, 0194.03, 0194.04, 0195.01, 0195.02, 0196.01 and 0196.02.
Zone 10	**Scarborough (Central)** - North: Highway 401; East: Brimley Rd. & McCowan Rd.; South: Lake Ontario; West: City Limit; Census tracts - 0333, 0334, 0335, 0336, 0337.01, 0337.02, 0338, 0339, 0340, 0341.02, 0341.03, 0341.04, 0342, 0343, 0344.01, 0344.02, 0345, 0346.01, 0346.02, 0347, 0348, 0349, 0350, 0351.01, 0351.02, 0352, 0353.02, 0353.03, 0353.04, 0354, 0355.02, 0355.04, 0355.05, 0355.06, 0368.01, 0368.02, 0369, 0370.01, 0370.02, 0370.03, 0371, 0372 and 0373.
Zone 11	**Scarborough (North)** - North: Steeles Ave.; East: City Limit; South: Highway 401 & Twyn River Dr.; West: City Limit; Census Tracts: 0374.01, 0374.02, 0374.03, 0375.01, 0375.02, 0375.03, 0375.04, 0375.05, 0376.01, 0376.02, 0376.04, 0376.05, 0376.06, 0376.08, 0376.09, 0376.11, 0376.12, 0376.13, 0376.14, 0376.15, 0376.16, 0377.01, 0377.02, 0377.03, 0377.04, 0377.06, 0377.07, 0378.02, 0378.03, 0378.04, 0378.05, 0378.06, 0378.07, 0378.08, 0378.11, 0378.12, 0378.14, 0378.16, 0378.17, 0378.18, 0378.19, 0378.20, 0378.21, 0378.22, 0378.23, 0378.24, 0378.25, 0378.26, 0378.27 and 0378.28.

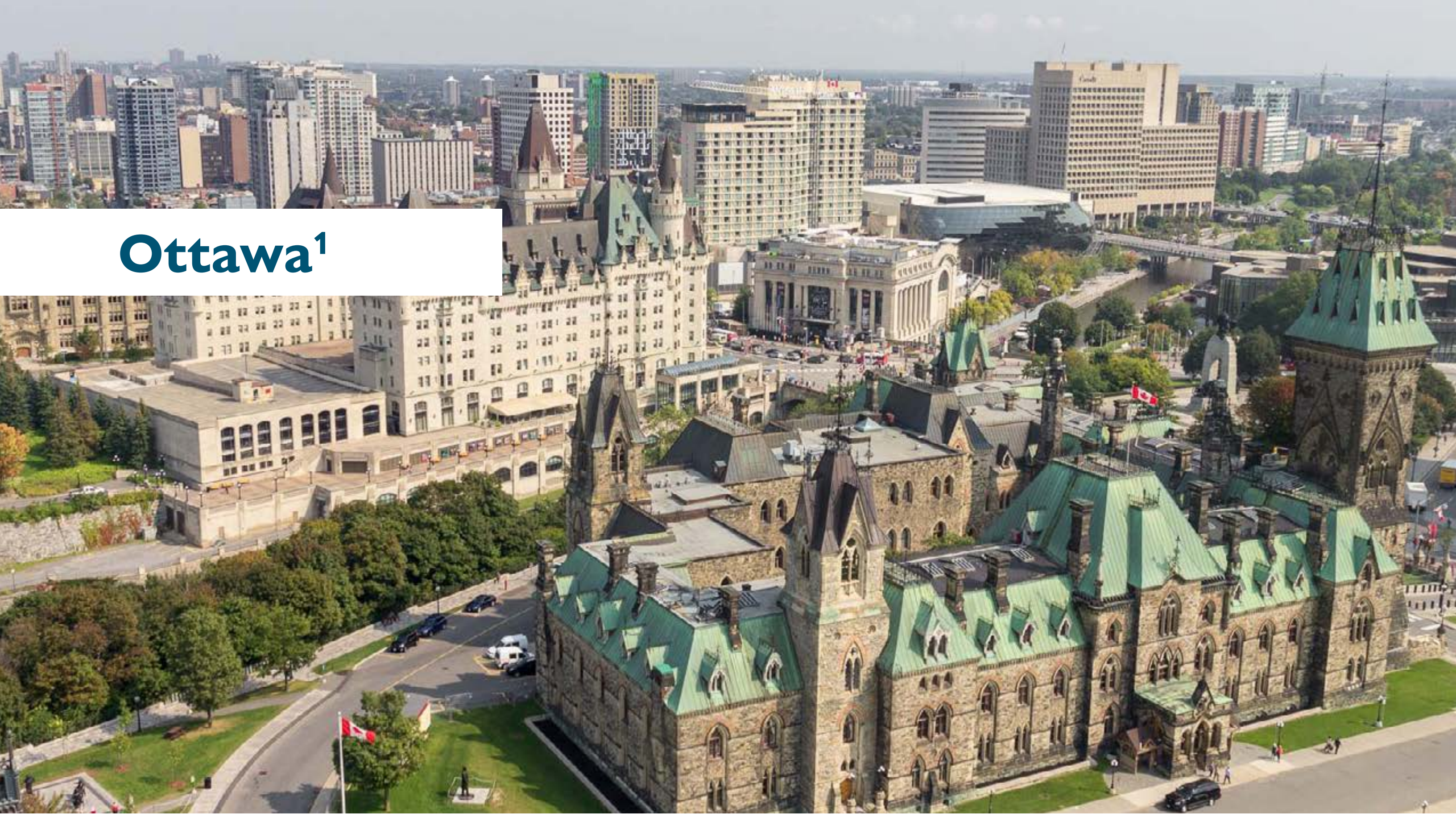
Zone 12	**Scarborough (East)** - North: Highway 401 & Twyn River Dr.; East: City Limit; South: Lake Ontario; West: Brimley Rd. & McCowan Rd.; Census tracts - 0330, 0331.01, 0331.03, 0331.04, 0332, 0356, 0357.01, 0357.02, 0358.01, 0358.02, 0358.03, 0359, 0360, 0361.01, 0361.02, 0362.01, 0362.02, 0362.03, 0362.04, 0363.02, 0363.04, 0363.05, 0363.06, 0363.07, 0364.01, 0364.02, 0365, 0366, 0367.01, 0367.02, 0802.01 and 0802.02.
Zones 10-12	**Scarborough**
Zone 13	**North York (Southeast)** - North: Highway 401; East: City Limit; South: City Limit; West: Yonge St.; Census tracts - 0260.01, 0260.04, 0260.05, 0260.06, 0260.07, 0261, 0262.01, 0262.02, 0263.02, 0263.03, 0263.04, 0264, 0265, 0266, 0267, 0268, 0269.01, 0269.02, 0270.01, 0270.02, 0271.01, 0271.02, 0272.01, 0272.02, 0273.01, 0273.02, 0274.01 and 0274.02.
Zone 14	**North York (Northeast)** - North: Steeles Ave.; East: City Limit; South: Highway 401; West: Yonge St.; Census tracts - 0300, 0301.01, 0301.03, 0301.04, 0302.01, 0302.02, 0302.03, 0303, 0304.01, 0304.02, 0304.03, 0304.04, 0304.05, 0304.06, 0305.01, 0305.03, 0305.04, 0306.01, 0306.02, 0307.03, 0307.04, 0307.05, 0307.06, 0307.07, 0321.01, 0321.02, 0322.01, 0322.02, 0323.01, 0323.02, 0324.01, 0324.02, 0324.03, 0324.05 and 0324.06.
Zone 15	**North York (Southwest)** - North: Highway 401; East: Yonge St. & City Limit; South: City Limit; West: City Limit; Census tracts - 0275, 0276.01, 0276.02, 0277, 0278, 0279.01, 0279.02, 0280, 0281.01, 0281.02, 0282, 0283.01, 0283.02, 0284, 0285, 0286, 0287.02, 0287.03 and 0287.04.
Zone 16	**North York (North Central)** - North: Steeles Ave.; East: Yonge St.; South: Highway 401; West: Dufferin St. & Sunnyview Rd.; Census tracts - 0288, 0297.01, 0297.02, 0298, 0299.01, 0299.02, 0308.02, 0308.03, 0308.04, 0309, 0310.01, 0310.02, 0317.02, 0317.03, 0317.04, 0317.05, 0318, 0319, 0320.01 and 0320.02.
Zone 17	**North York (Northwest)** - North: Steeles Ave.; East: Dufferin St. & Sunnyview Rd.; South: Highway 401; West: Humber River; Census tracts - 0289, 0290.01, 0290.02, 0291.01, 0291.03, 0291.04, 0292, 0293, 0294.01, 0294.02, 0295, 0296, 0311.02, 0311.03, 0311.04, 0311.05, 0311.06, 0312.02, 0312.03, 0312.04, 0312.05, 0312.06, 0312.07, 0313, 0314.01, 0314.02, 0315.01, 0315.02, 0315.03, 0316.01, 0316.03, 0316.04, 0316.05 and 0316.06.
Zones 13-17	**North York**
Zones 5-17	**Rest of Toronto City**
Zones 1-17	**Toronto**
Zone 18	**Mississauga (South)** - North: Dundas St.; East: Etobicoke Creek; South: Lake Ontario; West: City Limit; Census tracts - 0500.01, 0500.02, 0501.01, 0501.02, 0502.01, 0502.02, 0503, 0504, 0505.01, 0505.02, 0506, 0507, 0508, 0509.01, 0509.02, 0510, 0511.01, 0511.02, 0512, 0513.01, 0513.02, 0513.03, 0513.04, 0514.01, 0514.02, 0515.01, 0515.02, 0540.01 and 0540.02.
Zone 19	**Mississauga (Northwest)** - North: Highway 401; East: Credit River; South: Dundas St.; West: City Limit; Census tracts - 0516.01, 0516.02, 0516.03, 0516.04, 0516.05, 0516.06, 0516.08, 0516.09, 0516.11, 0516.16, 0516.17, 0516.18, 0516.20, 0516.21, 0516.22, 0516.23, 0516.24, 0516.25, 0516.26, 0516.28, 0516.29, 0516.30, 0516.31, 0516.32, 0516.37, 0516.38, 0516.39, 0516.40, 0516.41, 0516.42, 0516.43, 0516.44, 0516.46, 0516.47, 0516.48, 0516.49, 0550.01 and 0550.02.
Zone 20	**Mississauga (Northeast)** - North: Steeles Ave.; East: City Limit; South: Dundas St.; West: Credit River; Census tracts - 0517, 0518, 0519, 0520.01, 0520.02, 0520.05, 0520.07, 0520.08, 0520.09, 0520.10, 0521.01, 0521.02, 0521.03 ,0521.04, 0521.05, 0521.06, 0522, 0523, 0524.01, 0524.02, 0525.01, 0525.02, 0526.01, 0526.02, 0527.01, 0527.02, 0527.03, 0527.04, 0527.05, 0527.06, 0527.07, 0527.08, 0527.09, 0528.01, 0528.02, 0528.10, 0528.11, 0528.12, 0528.13, 0528.15, 0528.16, 0528.18, 0528.19, 0528.24, 0528.25, 0528.26, 0528.32, 0528.33, 0528.34, 0528.35, 0528.39, 0528.40, 0528.41, 0528.42, 0528.43, 0528.44, 0528.45, 0528.46, 0528.47, 0528.48, 0528.49, 0529.01, 0529.02, 0530.01, 0530.02, 0531.01, 0531.02, 0532.01 and 0532.02.
Zones 18-20	**Mississauga City**

Zone 21	**Brampton (West)** - North: #10 Side Road; East: Heart Lake Rd.; South: Steeles Ave.; West: Second Line; Census tracts 0528.20, 0528.21, 0528.22, 0528.31, 0528.36, 0528.37, 0570.01, 0570.02, 0571.01, 0571.02, 0572.01, 0572.04, 0572.05, 0572.07, 0572.08, 0572.09, 0572.10, 0573.03, 0573.05, 0573.06, 0573.07, 0573.09, 0573.10, 0573.11, 0574, 0575.01, 0575.02, 0575.03, 0575.04, 0575.05, 0575.07, 0575.08, 0576.04, 0576.05, 0576.06, 0576.07, 0576.09, 0576.29, 0576.31, 0576.32, 0576.33, 0576.34, 0576.41, 0576.42, 0576.43, 0576.44, 0576.49, 0576.50, 0576.52, 0576.53, 0576.70, 0576.71 and 0576.72.
Zone 22	**Brampton (East)** - North: Highway 7; East: Torbram Rd.; South: Steeles Ave.; West: Heart Lake Rd.; Census tracts - 0560, 0561, 0562.02, 0562.03, 0562.04, 0562.05, 0562.06, 0562.07, 0562.08, 0562.09, 0562.11, 0562.12, 0562.13, 0562.14, 0562.15, 0563.01, 0563.02, 0564.01, 0564.02, 0576.10, 0576.16, 0576.17, 0576.20, 0576.22, 0576.24, 0576.40, 0576.45, 0576.46, 0576.47, 0576.54, 0576.55, 0576.56, 0576.57, 0576.58, 0576.59, 0576.60, 0576.61, 0576.62, 0576.63, 0576.64, 0576.65, 0576.66, 0576.67, 0576.68 and 0576.69.
Zones 21-22	**Brampton City**
Zone 23	**Oakville Town** - Census tracts - 0600.01, 0600.02, 0601, 0602, 0603, 0604, 0605, 0606, 0607, 0608, 0609, 0610.02, 0610.03, 0610.04, 0611, 0612.01, 0612.03, 0612.05, 0612.08, 0612.10, 0612.11, 0612.12, 0612.13, 0612.14, 0612.15, 0612.18, 0612.19, 0612.20, 0612.21, 0612.22, 0612.23, 0612.24, 0612.25, 0612.26, 0612.27, 0613.01, 0613.03, 0613.04, 0614.01, 0614.02 and 0615.
Zone 24	**Caledon** - Census tracts - 0585.02, 0585.03, 0585.05, 0585.07, 0585.08, 0585.09, 0585.10, 0586.01, 0586.02, 0587.01 and 0587.02.
Zone 25	**Richmond Hill** - Census tracts - 0420.03, 0420.05, 0420.06, 0420.08, 0420.09, 0420.10, 0420.11, 0420.13, 0420.14, 0420.15, 0421.01, 0421.04, 0421.05, 0421.06, 0421.07, 0422.02, 0422.03, 0422.04, 0422.05, 0422.06, 0423.01, 0423.02, 0424.04, 0424.05, 0424.07, 0424.08, 0424.09, 0424.10, 0424.11, 0424.13, 0424.14, 0424.15 and 0424.16; **Vaughan** - Census tracts 0410.02, 0410.03, 0410.04, 0410.05, 0410.07, 0410.09, 0410.10, 0410.11, 0410.12, 0410.13, 0410.14, 0410.15, 0411.01, 0411.04, 0411.07, 0411.08, 0411.09, 0411.12, 0411.15, 0411.16, 0411.17, 0411.18, 0411.19, 0411.21, 0411.22, 0411.23, 0411.24, 0411.25, 0411.26, 0411.27, 0411.28, 0411.29, 0411.30, 0412.01, 0412.02, 0412.04, 0412.06, 0412.08, 0412.10, 0412.11, 0412.12, 0412.13, 0412.14, 0412.15, 0412.18, 0412.19, 0412.20, 0412.21, 0412.22, 0412.24, 0412.25, 0412.26, 0413.01 and 0413.02; **King** - Census tracts 0460.01, 0460.02, 0461.01 and 0461.02.
Zone 26	**Aurora** - Census tracts - 0440, 0441.02, 0441.03, 0441.04, 0442.02, 0442.03, 0442.04, 0442.05 and 0442.06; **Newmarket** - Census tracts - 0450.02, 0450.03, 0450.05, 0450.06, 0451.01, 0451.02, 0451.03, 0451.05, 0451.06, 0451.07, 0452.01, 0452.02, 0452.03, 0452.05, 0452.06 and 0452.07; **Whitchurch-Stouffville** - Census tracts - 0430.03, 0430.05, 0430.06, 0430.07, 0430.08, 0431.01 and 0431.02; **East Gwillimbury** - Census tracts - 0455, 0456.01, 0456.02 and 0456.03; **Georgina Township** - Census tracts - 0470, 0471, 0472, 0473.01, 0473.02, 0473.03, 0474 and 0475; **Georgina Island** - Census tract - 0476.02.
Zone 27	**Markham Town** - Census tracts - 0400.02, 0400.03, 0400.04, 0400.06, 0400.07, 0400.08, 0400.11, 0400.12, 0400.13, 0400.14, 0400.15, 0400.16, 0400.17, 0400.18, 0400.19, 0400.20, 0400.21, 0400.22, 0400.23, 0401.04, 0401.05, 0401.06, 0401.07, 0401.08, 0401.09, 0401.10, 0401.11, 0401.13, 0401.14, 0401.15, 0401.17, 0401.18, 0401.19, 0401.20, 0401.21, 0401.22, 0401.23, 0402.01, 0402.02, 0402.03, 0402.04, 0402.05, 0402.06, 0402.07, 0402.08, 0402.09, 0402.10, 0402.12, 0402.13, 0403.01, 0403.04, 0403.05, 0403.07, 0403.09, 0403.10, 0403.11, 0403.12, 0403.13, 0403.14, 0403.15 and 403.16.
Zones 25-27	**York Region**
Zone 28	**Pickering** - Census tracts - 0800.01, 0800.02, 0801.01, 0801.02, 0803.03, 0803.04, 0803.05, 0803.06, 0804.01, 0804.05, 0804.06, 0804.07, 0804.08, 0804.10, 0804.11, 0804.12, 0804.13, 0806 and 0807; **Ajax** - Census tracts - 0805.04, 0805.06, 0805.09, 0805.10, 0805.12, 0805.14, 0805.15, 0805.16. 0805.17, 0805.18, 0805.19, 0805.20, 0805.21, 0810.01, 0810.02, 0810.03, 0810.04, 0810.05, 0811, 0812, 0820.03, 0820.04, 820.05, 820.06 and 0820.07; **Uxbridge** - Census tracts - 0830, 0831.01, 0831.02 and 0832.

Zone 29	**Milton** - Census tracts - 0620.01, 0620.05, 0620.06, 0620.07, 0620.08, 0620.09, 0620.10, 0620.11, 0620.12, 0620.13, 0621, 0622, 0623, 0624, 0625 and 0626; **Halton Hills** - Census tracts - 0630, 0631.02, 0631.03, 0631.04, 0632, 0633, 0634.01, 0634.02, 0635, 0636, 0637, 0638 and 0639.
Zone 30	**Orangeville** - Census tracts 0590, 0591.01, 0591.02, 0592.01, 0592.02 and 0593.
Zone 31	**Bradford-West Gwillimbury** - Census tracts - 0480.01, 0480.02, 0481.01, 0481.02 and 0482; **New Tecumseth** - Census tracts - 0483.01, 0483.02, 0484.02, 0484.03, 0484.04, 0485.01 and 0485.02.
Zones 18-31	**Remaining CMA**
Durham Region	Includes Ajax, Pickering and Uxbridge (RMS Zone 28); Clarington (Oshawa RMS Zone 4); Oshawa (Oshawa Zones 1 and 2); Whitby (Oshawa RMS Zone 3); Brock and Scugog.
York Region	Includes Aurora, East Gwillimbury, Georgina, Newmarket, Whitchurch-Stouffvile (RMS Zone 26); King, Richmond Hill and Vaughan (RMS Zone 25); Markham (RMS Zone 27).
Peel Region	Includes Caledon (RMS Zone 24); Brampton (RMS Zones 21-22); Mississauga (RMS Zones 18-20).
Halton Region	Includes Halton Hills and Milton (RMS Zone 29); Burlington (Hamilton CMA Zone 8); Oakville (RMS Zone 23).
Toronto GTA	(Zones 1-17 plus Durham, Peel, Halton and York Regions)
Zones 1-31	**Toronto CMA**

Condominium Sub Area Descriptions – Toronto CMA

Sub Area 1	**Former City of Toronto, York and East York** includes RMS Zone 1: Former City of Toronto (Central); Zone 2: Former City of Toronto (East); Zone 3: Former City of Toronto (North); Zone 4: Former City of Toronto (West); Zone 8: York City; and Zone 9: East York (Borough).
Sub Area 2	**Etobicoke** includes RMS Zone 5: Etobicoke (South); Zone 6: Etobicoke (Central); and Zone 7: Etobicoke (North).
Sub Area 3	**Scarborough** includes RMS Zone10: Scarborough (Central); Zone 11: Scarborough (North); and Zone 12: Scarborough (East).
Sub Area 4	**North York** includes RMS Zone 13: North York (Southeast); Zone 14: North York (Northeast); Zone 15: North York (Southwest); Zone 16: North York (North Central); and Zone 17: North York (Northwest).
Sub Areas 1-4	**Toronto City**
Sub Area 5	**York Region** includes RMS Zone 25: Richmond Hill, Vaughan and King; Zone 26: Aurora, Newmarket, Whitchurch-Stouffville, East Gwillimbury, Georgina Township and Georgina Island; and Zone 27: Markham Town.
Sub Area 6	**Peel Region** includes RMS Zone 18: Mississauga (South); Zone 19: Mississauga (Northwest); Zone 20: Mississauga (Northeast); Zone 21: Brampton (West); Zone 22: Brampton (East); and Zone 24: Caledon.
Sub Area 7	**Durham Region** includes RMS Zone 28: Pickering, Ajax and Uxbridge; Oshawa Zone 1: Oshawa (North); Oshawa Zone 2: Oshawa (South/Central); Oshawa Zone 3: Whitby; and Oshawa Zone 4: Clarington; Brock; and Scugog.
Sub Area 8	**Halton Region** includes RMS Zone 23: Oakville Town; Zone 29: Milton, Halton Hills; and Hamilton Zone 8: Burlington.
Sub Areas 1-8	**GTA**
	Toronto CMA (includes all RMS Zones 1-31)



Ottawa[1]

PURPOSE BUILT RENTAL MARKET

Vacancy Rate	Average Two-Bedroom Rent
3.4%	$1,550 UP by 1.3%

CONDOMINIUM APARTMENT MARKET

Vacancy Rate	Average Two-Bedroom Rent
0.8%	$1,818

[1] Ontario portion of the Ottawa-Gatineau census metropolitan area (CMA).

Data tables from the Rental Market Survey and the Condominium Apartment Survey are available by market by clicking on the link www.cmhc.ca/rental-data-tables

"Demand grew at the same pace as the rental housing stock. As a result, the vacancy rate remained unchanged."

Lukas Jasmin-Tucci
Senior Analyst, Economics

MARKET INSIGHTS

HIGHLIGHTS

Demand increased sufficiently to offset the addition of a considerable number of units to the rental housing stock and the vacancy rate therefore remained stable.

Recent increases in migration have caused net migration to rise compared to 2020, but it has not yet returned to its pre-pandemic level.

Despite one of the highest vacancy rates in the last 25 years, options are limited for lower-income households.

After three years of strong growth, the average rent increased by 2.2% between October 2020 and October 2021, which is below the average for the last 10 years.

Vacancy rate remains stable

According to results from October 2021, the vacancy rate in the Ontario portion of the Ottawa-Gatineau census metropolitan area (CMA) was 3.4%. Statistically speaking, this is considered unchanged when compared with the rate recorded in October 2020 (3.9%).

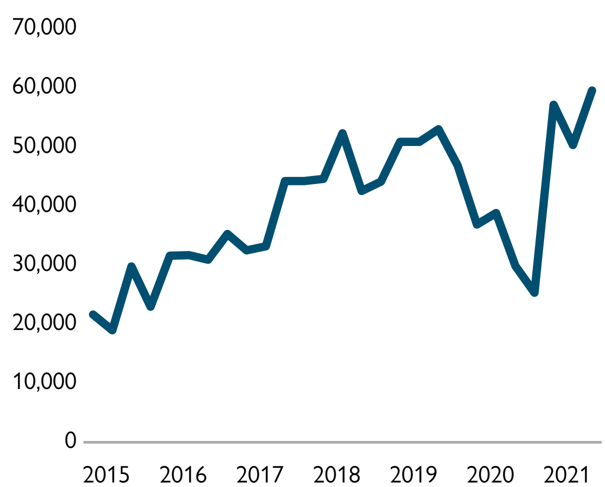
Migration increased without returning to pre-pandemic levels

As a result of renewed international migration, the number of new permanent residents who settled in the Ottawa area in the first three quarters of 2021 exceeded the pre-pandemic level (same period in 2019).

New permanent residents account for a significant share of migration in the area and are a determining factor in rental demand. This growth is limited by the fact that a portion of the increase is due to people who were already in Canada and whose residency status has changed from that of temporary resident to permanent resident.

The situation is completely different for the former, as the balance of temporary residents remains considerably lower than in 2019. However, Ontario study permit holders, who are temporary residents, reached a record number in the third quarter of 2021 (see Figure 1). Between 7% and 8% made their way to Ottawa, which supports demand for rental housing in the central sectors of the area.

Figure 1: Study permit holders who plan to study in Ontario



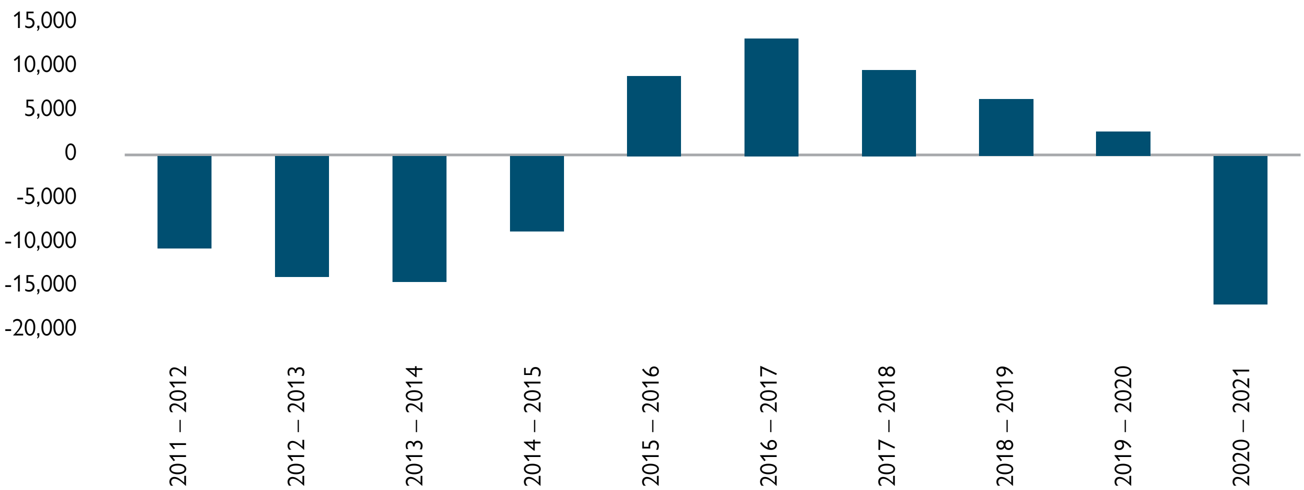
Source: Immigration, Refugees and Citizenship Canada
Note: Seasonally adjusted quarterly data.

In terms of interprovincial migration, the number of people who left another Canadian province for Ontario since the last survey was almost at the 2019 level. Despite this increase, the number of people moving from Ontario to another province surged, resulting in a negative balance for the first time in six years (see Figure 2).

Ottawa is the market with the largest proportion of people working remotely (almost half of workers).

Public administration and the information and communication technology sector, the area's two main sectors, are among those with the highest potential for remote work. The presence of these sectors in the area, which used to be a major factor in attracting workers, could now reduce the need to migrate there.

Figure 2: Estimates of net interprovincial migrants in Ontario



Source: Statistics Canada, Quarterly Demographic Estimates
Note: Period from July 1 to June 30.

Net migration was therefore mixed. Recent increases have improved net migration in several respects (number of permanent residents and study permits) and demand for rental housing therefore increased. Net interprovincial migration is negative. Overall, total migration increased from 2020, but still did not return to pre-pandemic levels.

Other factors supported demand, but it did not outpace supply

The return of employment among young people aged 15 to 24 to 2019 levels supported rental demand by encouraging the formation of new households. This was the age group that had been the hardest hit by job losses at the onset of the pandemic and whose recovery was the slowest.

In addition, the pressure from the historically low number of properties for sale over the past year, which contributed to the overheating of the market, may have limited access to homeownership for some renter households. These households may have remained within the rental market.

On the supply side, a considerable number of units were added to the rental housing stock in the area, as was the case in 2020. Despite this surge in rental housing construction, demand increased enough to keep the vacancy rate unchanged.

Progressive return of students helped lower vacancy rate in central neighbourhoods

The vacancy rate decreased in certain sectors of the CMA, particularly the centrally located ones. These sectors are more sensitive to the return of demand from students, while those located in the suburbs are less so. The vacancy rate in the downtown area thus decreased from 5.3% to 3.2%.

Despite this demand, the Sandy Hill/Lowertown sector, where the University of Ottawa is located, was still one of the areas with the highest vacancy rates.

The Alta Vista sector had the highest vacancy rate, which can likely be explained, at least in part, by the considerable number of units that have been added in the last two years. Rents for new units are generally higher than the average rents for existing units. New-unit rents were about 40% higher in 2021, which could have slowed demand.

Housing supply is scarcer for the least affluent renter households

For the 40% of renter households with the lowest annual income (annual income below $42,000), about 15% of Ottawa's rental housing stock is affordable. A rental unit is considered to be affordable if the household spends less than 30% of its income on rent.

Despite the vacancy rate remaining at one of its highest levels in the last 25 years, options remain limited for lower-income households. This is illustrated by a significant difference in vacancy rates for units at different rent levels.

For two-bedroom apartments, vacancy rates in the lowest rent ranges, i.e., less than $1,200, go from 0% to 0.6%. For apartments rented at $1,350 or more, meanwhile, the vacancy rate is 4.6%.

Turnover rates increased in almost all central sectors

In the old city of Ottawa, the turnover rate increased sharply to 22.8%, which is comparable to rates prior to 2020. The previous year, the rate had dropped to 13.3%.

The reluctance of tenants to move during the first months of the pandemic and during lockdowns could account for this significant decrease in 2020. It appears that these fears have somewhat dissipated since then. The growth in migration, including the return of students, may also have contributed to an increase in the turnover rate.

These changes were less pronounced in the rest of the CMA.

Slower increase in rents

After three years of strong growth, the average rent increased by 2.2% between October 2020 and October 2021. This growth is below the average for the last 10 years.

The scarcity of vacant units from 2017 to 2019 encouraged owners to increase rents when a unit was vacated. With a higher vacancy rate over the last two years, the pressure appears to have decreased slightly this year. The rent freeze in 2021 may also have contributed to the slowdown.

In the Ottawa area, the average monthly rent for a two-bedroom apartment was $1,550. However, since this average includes the rents of certain households that have been in their units for a long time, it is not always representative of the rents advertised to households looking for a new place to live.

Indeed, the average rent for a vacant apartment ($1,840) was higher than the average rent for an occupied unit ($1,537).

Condominium vacancy rate increased but remained low

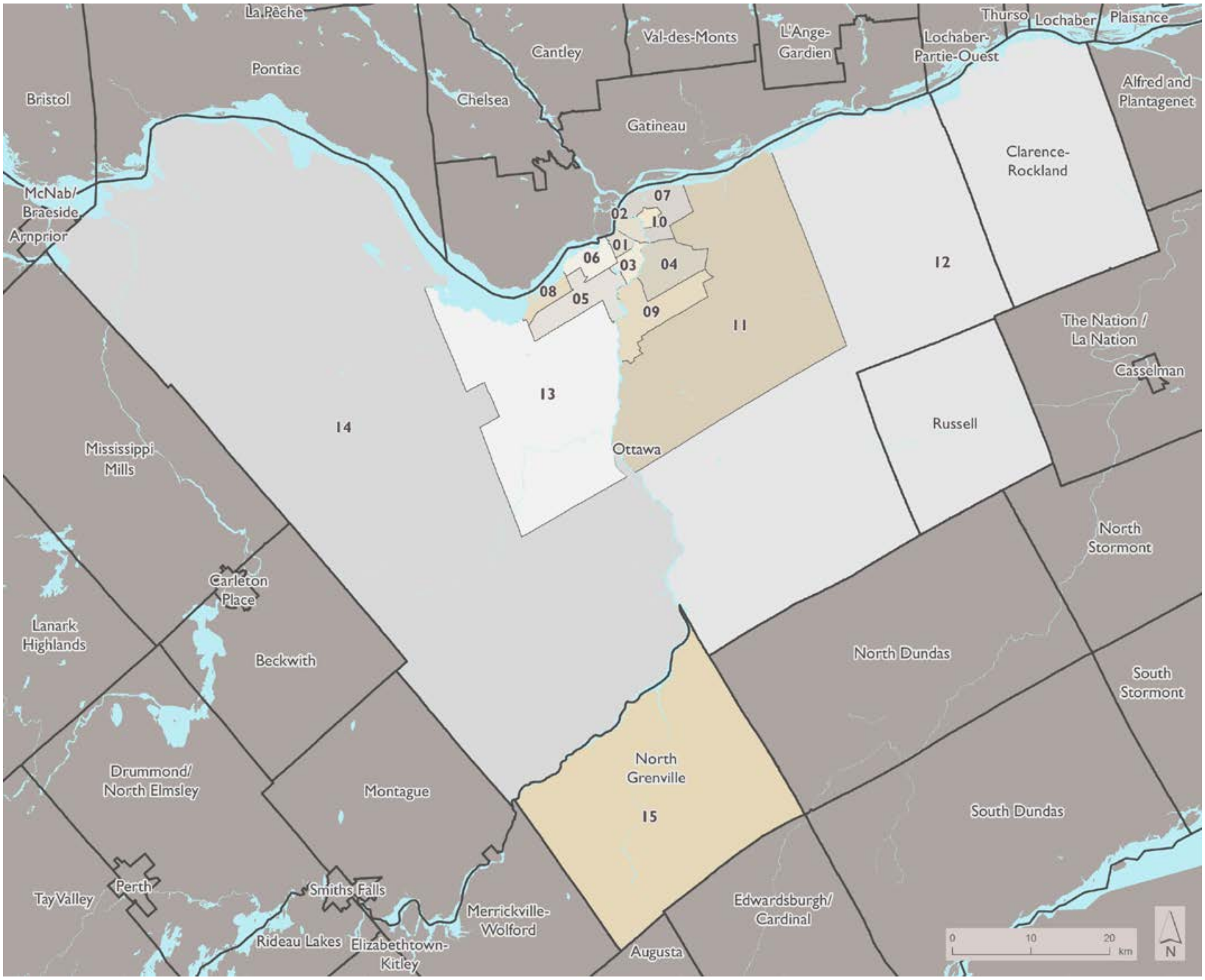
Contrary to what was observed on the conventional rental market, on the rental condominium market, the vacancy rate increased from 0.4% to 0.8%. Conditions remained relatively tight, with a rate of less than 1% for a third consecutive year.

This has been the case since condominium completions slowed down and the proportion of condominiums offered as rentals stopped increasing. This proportion remained stable at about 30%.

The increase in the vacancy rate in the Ottawa area is attributable to the increase in the outer suburbs, where the vacancy rate rose from 0.1% to 0.5%. It was also in that zone that condominium completions were concentrated over the previous year, with nearly two thirds of new units being added there.

The average rent of rental condominiums remained higher than that of apartments built specifically for the rental market ($1,818 versus $1,550 for a two-bedroom unit). Most of the new condominium supply was added to the market starting in 2004 and rents tend to be higher in newer units, which could explain the difference.

Download the Excel data table (XLSX) for this market. Data tables for all markets are also available for download at cmhc.ca/rental-market-report-data.



RMS Zone Descriptions – Ottawa-Gatineau CMA (Ontario Portion)

Zone 1	**Downtown** - Bounded by Queensway (south), Bronson (west), Ottawa River (north), Rideau Canal (east).
Zone 2	**Sandy Hill/Lowertown** - Includes Sandy Hill and Lowertown.
Zone 3	**Glebe/Old Ottawa South** - Includes the Glebe and Old Ottawa South.
Zone 4	**Alta Vista** - Includes Alta Vista
Zone 5	**Carlington/Iris** - Includes the area south of Carling Ave., west of Bronson and the Rideau River and north of Beatrice (Carlington and Iris).
Zone 6	**Chinatown/Hintonburg/Westboro North** - Includes Chinatown, Hintonburg and Westboro north of Richmond Rd.
Zone 7	**New Edinburgh/Manor Park/Overbrook** - Includes New Edinburgh, Manor Park and Overbrook.
Zone 8	**Westboro South/Hampton Park/Britannia** - Includes Westboro South, Hampton Park and Britannia.

Zone 9	**Hunt Club/South Keys**
Zones 1-9	**Former City of Ottawa**
Zone 10	**Vanier** - Includes Vanier.
Zone 11	**Gloucester North/Orleans** - Includes the former municipality of Gloucester.
Zone 12	**Eastern Ottawa Surrounding Areas** - Includes the former municipalities of Cumberland, Clarence-Rockland, Russell and Osgoode.
Zones 11-12	**Gloucester and Eastern Areas**
Zone 13	**Nepean** - Includes the former municipality of Nepean.
Zone 14	**Western Ottawa Surrounding Areas** - Includes the former municipalities of Kanata, West Carleton, Goulbourn and Rideau.
Zone 15	**North Grenville**
Zones 13-15	**Nepean and Western Areas**
Zones 1-15	**Ottawa-Gatineau CMA (Ontario portion)**

Condominium Sub Area Descriptions – Ottawa-Gatineau CMA (Ontario Portion)

Sub Area 1	**Downtown** includes RMS Zone 1 (Downtown); Zone 2 (Sandy Hill/Lowertown); and Zone 3 (Glebe/Old Ottawa South).
Sub Area 2	**Inner Suburbs** includes RMS Zone 4 (Alta Vista); Zone 6 (Chinatown/Hintonburg/Westboro North); Zone 7 (NewEdinburgh/Manor Park/Overbrook); Zone 8 (Westboro South/Hampton Park/Britannia); and Zone 10 (Vanier).
Sub Area 3	**Outer Suburbs** includes RMS Zone 5 (Carlington/Iris); Zone 9 (Hunt Club/South Keys); Zone 11 (Gloucester North/Orleans); Zone 12 (Eastern Ottawa Surrounding Areas); Zone 13 (Nepean); Zone 14 (Western Ottawa Surrounding Areas); and Zone 15 (North Grenville).
Sub Areas 1-3	**Ottawa-Gatineau CMA (Ontario portion)**

Gatineau[1]

PURPOSE BUILT RENTAL MARKET

Vacancy Rate

1.1%

Average Two-Bedroom Rent

$1,035

UP by 6.4%

CONDOMINIUM APARTMENT MARKET

Vacancy Rate

1.3%

Average Two-Bedroom Rent

$1,260

[1] Québec portion of the Ottawa-Gatineau census metropolitan area (CMA).

Data tables from the Rental Market Survey and the Condominium Apartment Survey are available by market by clicking on the link www.cmhc.ca/rental-data-tables

"The average rent saw the largest increase since the beginning of our survey, which increased demand for more affordable units."

Lukas Jasmin-Tucci
Senior Analyst, Economics

MARKET INSIGHTS

HIGHLIGHTS

Despite another strong increase in supply, a number of factors contributed to even stronger growth in demand, which led to a decrease in the vacancy rate.

Rental housing demand was likely supported by migration flows from Ottawa, like in 2020, as well as from abroad.

The average rent for a two-bedroom apartment posted the largest increase (6.4%) observed since our first survey in 1990. This growth over several years is likely increasing demand for more affordable housing.

The average rent for a vacant apartment ($1,075 for a two-bedroom unit) was higher than that for an occupied unit ($1,033).

Vacancy rate decreased in the Gatineau rental market

According to the results of the October 2021 Rental Market Survey, the vacancy rate in the Québec portion of the Ottawa-Gatineau census metropolitan area (CMA) was 1.1%. This was a decrease from the rate recorded in October 2020 (1.6%).

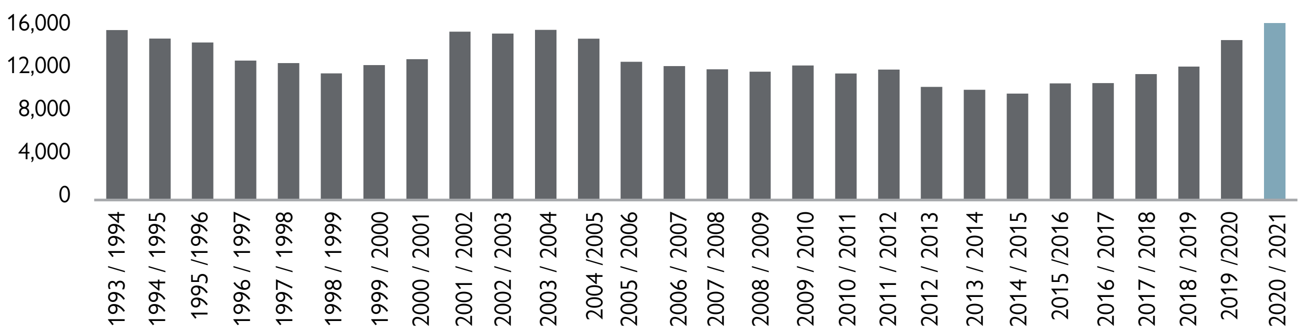
Despite a strong increase in supply, a number of factors contributed to even stronger growth in demand, which led to a decrease in the vacancy rate.

Gradual return of migration supports rental housing demand

Provincial data shows that about 16,500 people left Ontario to settle in Québec in the last year, a nearly 30-year high (see Figure 1). Typically, a significant share of these households settle in the Gatineau area, with the majority coming from Ottawa.

It appears that the growth in migration from Ottawa to Gatineau observed in 2020 continued in 2021. Some Ottawa households may have decided to move to the Gatineau area

Figure 1: Estimates of interprovincial migrants from Ontario to Québec



Source: Statistics Canada, Quarterly Demographic Estimates
Note: Period from July 1 to June 30.

in greater numbers than usual, attracted by a more affordable market. The possibility of working remotely may have made the decision easier in some cases.

This migration would have contributed to increasing the number of potential renters in the area, since about three quarters of households opt for rental accommodation upon arriving in the area.

Net international migration to Québec was also on the rise in the first half of 2021. Even though the number of non-permanent residents is still far from the peak reached in 2019, the balance is once again positive. A portion of international migration usually heads to Gatineau and is a determining factor for rental demand in the area.

A tightening of the resale market arising from very low supply has likely restricted access to homeownership for some households that were considering leaving the rental market.

Despite a recent decline, employment among young people aged 15 to 24 recently began to recover. This age group had been the hardest hit by job losses at the onset of the pandemic (see Figure 2). Because this segment of the population consists mostly of renters, a recovery likely supported rental demand by enabling the formation of new households.

On the supply side, close to 1,300 rental units were completed since the last survey. While this is a decrease from the last survey, it should be noted that 2020 was a record year. More conventional rental housing units were completed in the last three years than in the 10 years before that.

Surge in rent growth

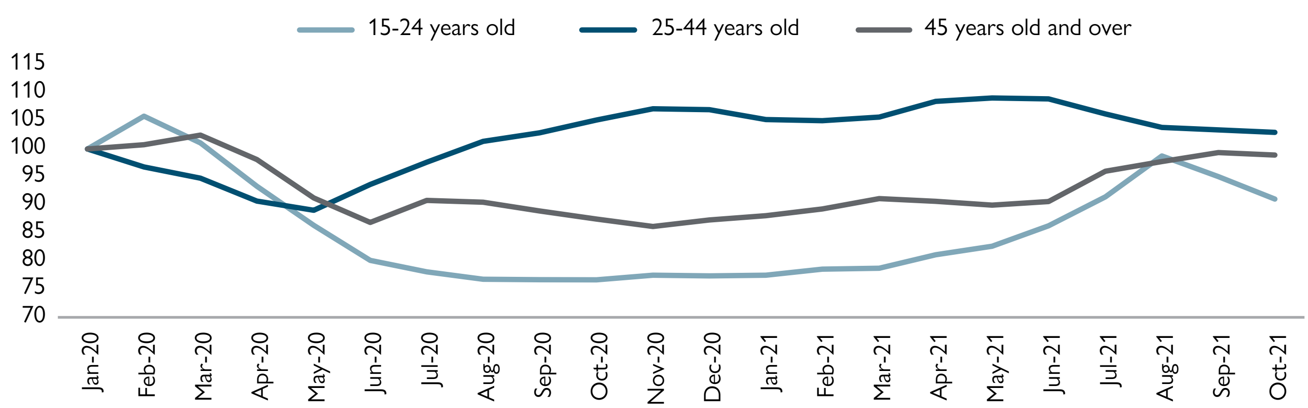
Since the last survey, the estimated change in the average rent for a two-bedroom apartment increased by 6.4%. This was the largest increase recorded since the first survey we conducted in 1990.

The market tightened in the area, adding to the pressure on rents. The estimated change in the average rent thus resumed the upward trend it had begun in 2017, after a slowdown in 2020.

This multi-year increase in rents supported demand for more affordable units, as evidenced by the growing gap between the vacancy rate of the least expensive units and that recorded on the overall market. While the vacancy rate is between 1.2% and 1.5% for units rented at $800 or more, it is only 0.4% or less for units under $700.

In the Gatineau area, the average rent for a two-bedroom apartment is $1,035. However, this figure includes rents paid by some renter households who have been in their units for a long time. As a result, it is not always representative of the rents advertised to households in search of new housing. Indeed, the rent for a vacant apartment was $1,075 on average, compared to $1,033 for an occupied unit.

Figure 2: Employment by age group, January 2020 = 100



Source: Statistics Canada, Labour Force Survey. Adapted by CMHC
Note: Seasonally adjusted, 3-months moving average.

Demand on the rental condominium market comparable to that on the conventional market

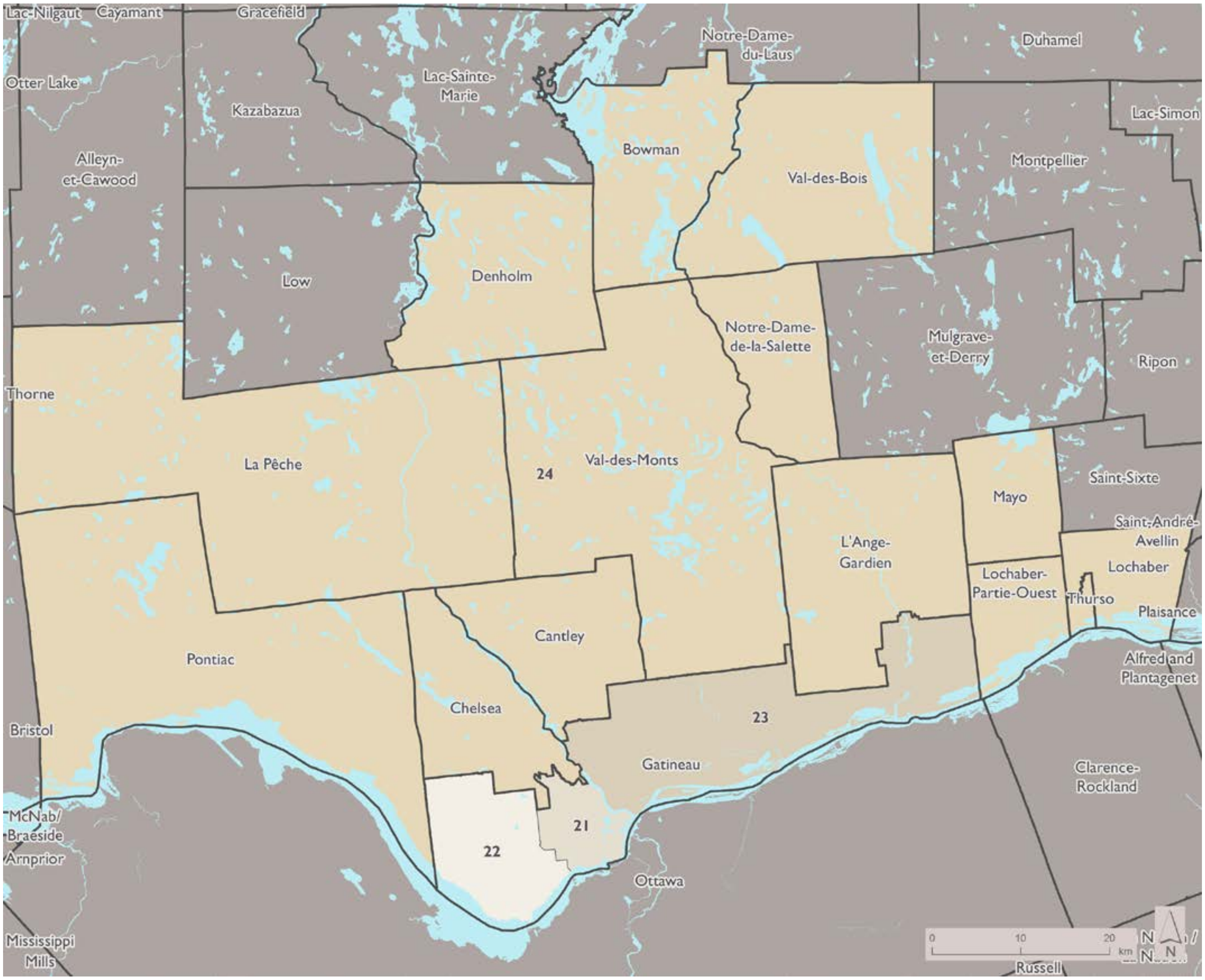
Rental units have continued to be a key feature of the Gatineau condominium market. Despite a decrease in the proportion of condominiums offered on the rental market, nearly one in three condominiums is made available as a rental.

The low number of vacant apartments on the primary market is driving a portion of renter households to the rental condominium market. Their vacancy rate (1.3%) is comparable to that of the conventional rental market, which reflects continued strong demand for this type of housing.

As for pricing, rental condominiums command higher rents than conventional rental units ($1,260 compared to $1,035 for a two-bedroom unit). However, this is lower than the rent charged for a newly built conventional rental unit ($1,439).

Rental condominiums seem to be continuing to attract a significant portion of rental housing demand, particularly that from higher-income households.

Download the Excel data table (XLSX) for this market. Data tables for all markets are also available for download at cmhc.ca/rental-market-report-data.



RMS Zone Descriptions – Ottawa-Gatineau CMA (Québec Portion)

Zone 21	**Hull**: Gatineau sector corresponding to the former municipality of Hull.
Zone 22	**Aylmer**: Gatineau sector corresponding to the former municipality of Aylmer.
Zone 23	**Gatineau**: Gatineau sector corresponding to the former municipality of Gatineau, the former municipality of Buckingham and the former municipality of Masson-Angers.
Zone 24	**Outlying area**: Corresponds to the following municipalities: Chelsea, Cantley, La Pêche, Pontiac, Val-des-Monts, L'Ange-Gardien, Denholm, Thurso, Lochaber, and Lochaber-Partie-Ouest.
Zones 21-24	**Ottawa-Gatineau CMA (Québec portion).**

Québec

PURPOSE BUILT RENTAL MARKET

Vacancy Rate	Average Two-Bedroom Rent
2.5%	$945
	UP by 2.2%

CONDOMINIUM APARTMENT MARKET

Vacancy Rate	Average Two-Bedroom Rent
3%	$1,135

Data tables from the Rental Market Survey and the Condominium Apartment Survey are available by market by clicking on the link www.cmhc.ca/rental-data-tables

"The overall vacancy rate remained stable in the Québec CMA in 2021. However, the stability of the overall rate hides decreases observed in certain sectors and the increase posted by one central sector."

Nathan R. Lea
Senior Analyst, Economics

MARKET INSIGHTS

HIGHLIGHTS

The overall vacancy rate was 2.5% in October 2021, which is consistent with what was observed in the previous two years.

The market eased only in Sainte-Foy–Sillery and tightened in several suburban sectors and on the South Shore.

Vacancy rates in the lowest rent ranges are lower than those in the highest rent ranges.

The rental condominium vacancy rate remained stable.

Vacancy rate remained stable for a third straight year

The overall rental housing vacancy rate in the Québec census metropolitan area (CMA) was 2.5% in October 2021. This was a relatively stable level compared to the previous two years (2.4% in 2019 and 2.8% in 2020).[1]

Easing of market conditions continued in Sainte-Foy–Sillery

More local vacancy rates did, however, vary from one sector to another. Sainte-Foy–Sillery was the only sector where market conditions continued to ease. The gradual return of students to the central neighbourhoods and the rise in net migration probably fuelled a rebound in rental housing demand in Sainte-Foy–Sillery.

However, supply outpaced demand in this sector, which led to an increase in the vacancy rate.

Vacancy rates in the Haute-Ville and Basse-Ville sectors, both of which are centrally located and popular with students, recent immigrants and non-permanent residents, remained stable in 2021.

Note that, due to the absence of tourists, units that had previously been offered on the short-term-rental market were likely made available for long-term rental. It is likely that, with the gradual return of tourism, the trend reversed itself. This could have weakened supply, causing it to grow at the same pace as demand.

Demand continued to outpace supply in several other sectors

In 2021, rental housing construction in the Québec CMA increased for the third straight year. More than 3,600 new units were completed, which is an increase greater than the historic levels of the previous four years.

More than 60% of these new units are located in Les Rivières in Beauport and on the South Shore, where vacancy rates decreased. This tightening of the rental market indicates that demand outpaced supply.

In addition, the proportion of vacant units remained relatively stable in Charlesbourg, Haute-Saint-Charles, Saint-Augustin–Cap-Rouge and Val-Bélair–L'Ancienne-Lorette, despite a non-negligible pace of new rental housing construction.

It would be reasonable to think that demographic factors, particularly the aging of the population, which has been accelerating for some years, could also have continued to drive rental demand.

[1] The overall vacancy rate is considered unchanged, since the differences between the 2019, 2020 and 2021 rates are not statistically significant.

Indeed, an increasing number of households aged 65 and over are likely to choose rental accomodations, particularly to avoid having to maintain a property, to downsize, or to have access to certain services.

In addition, the proportion of renters among younger households has risen in recent years,[2] which has probably been a factor supporting rental demand.

Lack of affordable housing in Québec despite the increase in supply

Last year, CMHC's survey introduced vacancy rates based on rent ranges where tenants spend no more than 30% of their monthly income.

In 2021, vacancy rates were lower in rent ranges that meet the affordability criterion for lower-income renter households. The situation was the opposite for units with higher rents (see Table 1).

The lack of affordable housing therefore remains a topical issue in Québec, despite the sustained construction of new apartments in the CMA in recent years.

Table 1: Vacancy rate (%) and number of rental apartments by renter household income quintile and rent range allowing for housing affordability*

Income ($) of Renter Households by Quintile	Affordable Monthly Rent Range ($)	Vacancy Rate (%)
First quintile – less than $25,000	Less than $625	2.5
Second quintile – $25,000 to $42,000	$625 to $1,049	2.0
Third quintile – $42,000 to $53,000	$1,050 to $1,324	2.5
Fourth quintile – $53,000 to $75,000	$1,325 to $1,874	5.7
Fifth quintile – $75,000 or more	$1,875 or more	8.8

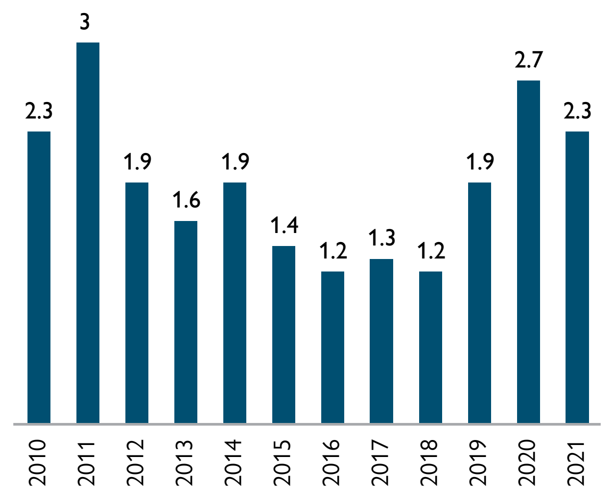
Source: CMHC

*The rent ranges are calculated at the accessibility threshold of 30% of monthly income for each quintile. Renter household income (unsubsidized, all household sizes) was derived from 2016 Census data and expressed in 2021 dollars.

Rents rose at a slightly slower pace

The estimated change in average rent for apartments in the Québec CMA was 2.3% from October 2020 to October 2021 (see Figure 1). This increase was slightly lower than that noted in 2020 (2.7%). However, it is still higher than the increases noted in previous years. This is consistent with the tight conditions present on the area's rental market.

Figure 1: Estimate change (%) in average rent, apartments



Source: CMHC

The average rent for an occupied unit ($911) was lower than that for units available on the market at the time of the 2021 survey ($1,050). The difference between the average rents for occupied and available units varied from one sector to another (Table 1.1.9).

For example, the difference was greater in Les Rivières and South Shore West, sectors with a high proportion of newly completed units, many of which are still available, and which generally have above-average rents.

[2] According to data from Statistics Canada's 2011 National Household Survey and 2016 Census, the proportion of under-35 households that are renter households rose from 60.1% in 2011 to 62.9% in 2016. This increase reflects a slowdown in movement to homeownership among younger households. It is also a reversal from the first decade of the 2000s, when the proportion of households in this age group that were renter households went from 69.3% (in 2001) to 60.1% (in 2011).

Turnover rate remains low from a historic standpoint

According to our latest survey, the proportion of renter households in the Québec CMA that had moved into a new apartment in the previous 12 months remained the same in 2021 (16%).

It is useful to remember that the pandemic probably discouraged Québec-CMA households from moving, given the public health measures in place. In addition, the overall vacancy rate remained relatively low, meaning there were likely limited options for households that wished to move.

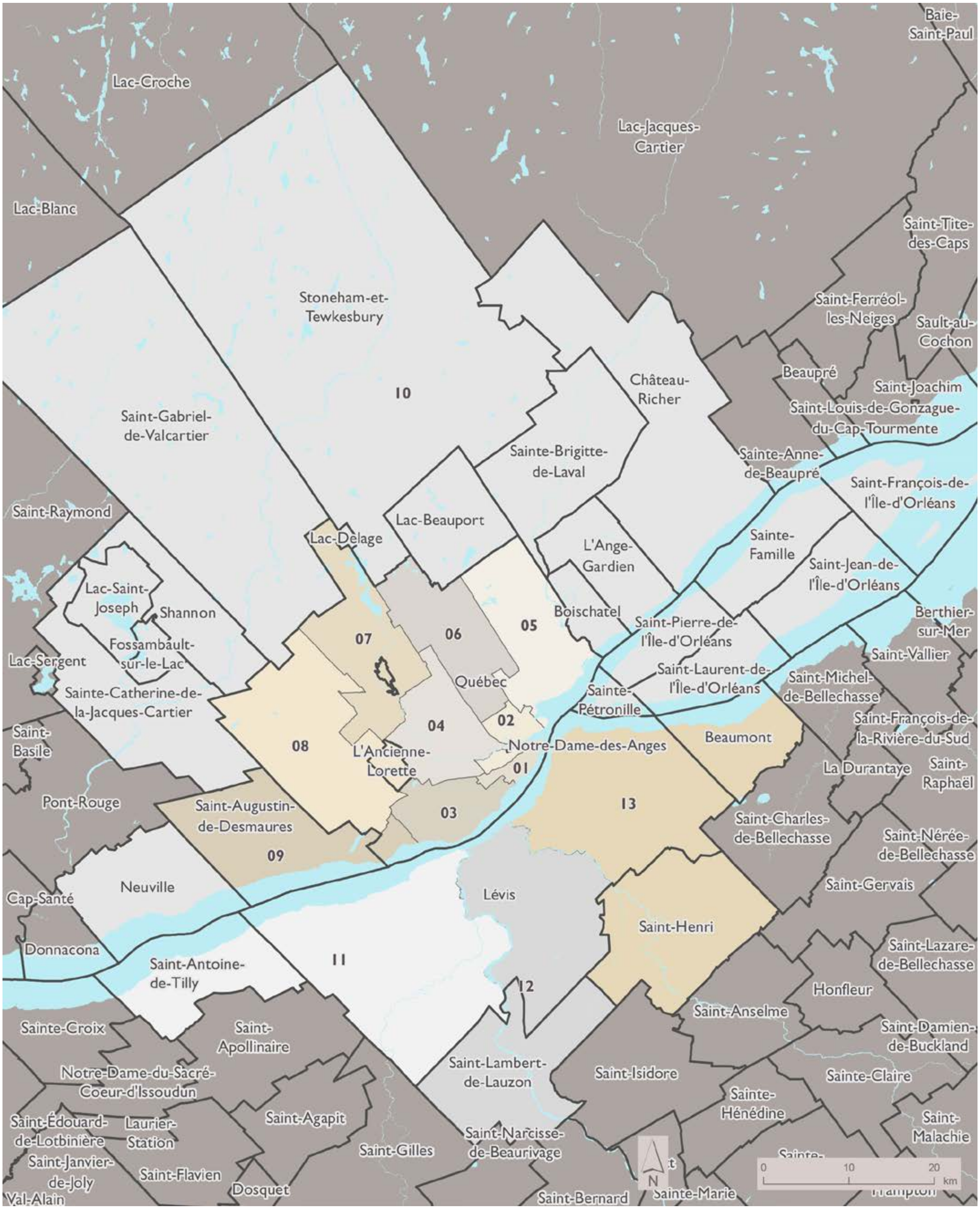
Rental condominium vacancy rate remained stable

The proportion of condominium units increased slightly in 2021 compared to 2020. In 2020, 16.6% of the condominium stock was available for rent, which represents about 5,900 units (Table 4.3.1).

The survey revealed that the vacancy rate on the rental condominium market remained relatively stable in 2021 at 3%.

It would appear that the stability of the vacancy rates in the North Centre and on the South Shore, which together account for about 70% of all rental units, contributed strongly to the stability observed across the CMA.

Download the Excel data table (XLSX) for this market. Data tables for all markets are also available for download at cmhc.ca/rental-market-report-data.


Baie-Saint-Paul
Lac-Croche
Lac-Jacques-Cartier
Lac-Blanc
Saint-Tite-des-Caps
Stoneham-et-Tewkesbury
Saint-Ferréol-les-Neiges
Sault-au-Cochon
Beaupré
Saint-Joachim
Château-Richer
10
Saint-Louis-de-Gonzague-du-Cap-Tourmente
Saint-Gabriel-de-Valcartier
Sainte-Brigitte-de-Laval
Sainte-Anne-de-Beaupré
Saint-François-de-l'Île-d'Orléans
Saint-Raymond
Lac-Beauport
Lac-Delage
Sainte-Famille
L'Ange-Gardien
Saint-Jean-de-l'Île-d'Orléans
Lac-Saint-Joseph
Shannon
Boischatel
Berthier-sur-Mer
07
06
05
Saint-Pierre-de-l'Île-d'Orléans
Fossambault-sur-le-Lac
Saint-Vallier
Lac-Sergent
Saint-Laurent-de-l'Île-d'Orléans
Québec
Saint-Michel-de-Bellechasse
Sainte-Catherine-de-la-Jacques-Cartier
Sainte-Pétronille
02
Saint-François-de-la-Rivière-du-Sud
04
Saint-Basile
08
Beaumont
L'Ancienne-Lorette
Notre-Dame-des-Anges
01
La Durantaye
Saint-Raphaël
Pont-Rouge
Saint-Augustin-de-Desmaures
13
03
Saint-Charles-de-Bellechasse
Saint-Nérée-de-Bellechasse
09
Neuville
Lévis
Saint-Gervais
Cap-Santé
Saint-Henri
Donnacona
Saint-Lazare-de-Bellechasse
Saint-Antoine-de-Tilly
11
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Honfleur
Saint-Anselme
Sainte-Croix
Saint-Apollinaire
Saint-Damien-de-Buckland
Notre-Dame-du-Sacré-Coeur-d'Issoudun
Saint-Lambert-de-Lauzon
Saint-Isidore
Sainte-Claire
Sainte-Hénédine
Saint-Édouard-de-Lotbinière
Laurier-Station
Saint-Agapit
Saint-Malachie
Saint-Janvier-de-Joly
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Saint-Bernard
Sainte-Marie

RMS Zone Descriptions – Québec CMA

Zone 1	**Haute-Ville** - Districts of Saint-Jean-Baptiste, Montcalm, Vieux-Québec–Cap-Blanc–colline-Parlementaire and Saint-Sacrement
Zone 2	**Basse-Ville** - Districts of Saint-Roch, Saint-Sauveur, Maizerets, Vieux-Limoilou and Lairet
Zone 3	**Sainte-Foy–Sillery** - Districts of Sillery, Cité-Universitaire, Pointe-de-Sainte-Foy, Saint-Louis and Plateau
Zone 4	**Les Rivières** - Borough of Les Rivières
Zone 5	**Beauport** - Borough of Beauport
Zone 6	**Charlesbourg** - Borough of Charlesbourg
Zone 7	**Haute-Saint-Charles** - Districts of Lac-Saint-Charles, Châtelets, Saint-Émile and Loretteville
Zone 8	**Val-Bélair–L'Ancienne-Lorette** - Districts of Val-Bélair and Aéroport, and city of L'Ancienne-Lorette
Zone 9	**Saint-Augustin–Cap-Rouge** - City of Saint-Augustin-de-Desmaures and district of Cap-Rouge
Zones 1-9	**Québec Agglomeration**
Zone 10	**Northern Surrounding Area** - Côte-de-Beaupré (Regional county municipalities of La Côte-de-Beaupré and L'Île-d'Orléans), Jacques-Cartier (Regional county municipality of La Jacques-Cartier and city of Neuville)
Zone 11	**South Shore West** - Borough of Les Chutes-de-la-Chaudière-Ouest and municipality of Saint-Antoine-de-Tilly
Zone 12	**South Shore Centre** - Borough of Les Chutes-de-la-Chaudière-Est and municipality of Saint-Lambert-de-Lauzon
Zone 13	**South Shore East** - Borough of Desjardins and municipalities of Saint-Henri and Beaumont
Zones 11-13	**South Shore**
Zones 1-13	**Québec CMA**

Condominium Sub Area Descriptions – Québec CMA

Sub Area 1	**North Centre** includes RMS Zone 1 (Québec Haute-Ville), Zone 2 (Québec Basse-Ville), Zone 3 (Sainte-Foy-Sillery), and Zone 4 (Les Rivières).
Sub Area 2	**Northern Crown** includes RMS Zone 5 (Beauport), Zone 6 (Charlesbourg), Zone 7 (Haute-Saint-Charles), Zone 8 (Val-BélairL'Ancienne-Lorette), Zone 9 (Saint-Augustin-Cap-Rouge) and Zone 10 (Côte-de-Beaupré, Jacques-Cartier).
Sub Area 3	**South Shore** includes RMS Zone 11 (South Shore West), Zone 12 (South Shore Centre) and Zone 13 (South Shore East).
Sub Areas 1-3	**Québec CMA**

Montréal

PURPOSE BUILT RENTAL MARKET

Vacancy Rate	Average Two-Bedroom Rent
3%	$932
	UP by 3.9%

CONDOMINIUM APARTMENT MARKET

Vacancy Rate	Average Two-Bedroom Rent
1.4%	$1,420

Data tables from the Rental Market Survey and the Condominium Apartment Survey are available by market by clicking on the link www.cmhc.ca/rental-data-tables

"The vacancy rate in the Montréal CMA remained stable in 2021. The gradual resumption of international migration and the return to in-person classes decreased the vacancy rate in the downtown area, but it remained at a higher level than before the pandemic."

Francis Cortellino
Economist

MARKET INSIGHTS

HIGHLIGHTS

In 2021, the vacancy rate remained stable at 3%. It remained higher on the Island of Montréal (3.7%) than in the suburbs (1.1%). It is possible that some households migrated from the Island to the suburbs to live in larger or newer units, at rents that are often lower. The strong increase in prices may also have limited access to homeownership for young suburban households.

The gradual resumption of international migration and the return of in-person classes decreased the vacancy rate in the downtown area, but it remained at a higher level than before the pandemic.

The low vacancy rates in several sectors continued to push rents up (3.7%).

The vacancy rate for rental condominiums decreased in 2021, reaching 1.4%. This decrease was attributable to the rebound in rental demand (international and student) and a level of supply that remained practically unchanged.

Moderate recovery in downtown demand, with vacancy rates remaining low in the suburbs

In 2021, the vacancy rate in the Montréal area remained stable at 3%. However, the proportion of vacant apartments varied by sector: 3.7% on the Island of Montréal and even 6.3% in downtown Montréal (including Île-des-Sœurs).

These values are halfway between the downtown vacancy rates of 2019 and 2020 (see Table 1). The gradual resumption of international migration and the return to in-person classes have certainly fuelled rental demand in this sector, without, however, allowing for a return to pre-pandemic conditions.

Table 1: Vacancy rate (%) in selected geographic sectors of the Montréal CMA

Sector	2019	2020	2021
Downtown Montréal / Île-des-Sœurs	2.6	10.2	6.3
Côte-des-Neiges / Mont-Royal / Outremont	1.7	4.7	4.8
Island of Montréal	**1.6**	**3.2**	**3.7**
Suburbs	**1.2**	**1.2**	**1.1**
Montréal CMA	**1.5**	**2.7**	**3.0**

Source: CMHC

According to data from the 4th edition of the Montréal City Centre Report, 10% of students in downtown educational institutions were attending online classes in fall 2021.

In 2019, this proportion was only 1%. There were 11,400 fewer students in classrooms in 2021 than pre-COVID-19.

Another sector with a significant student and international population, Côte-des-Neiges/Outremont/Mont-Royal, has continued to post a much higher vacancy rate since the start of the pandemic.

Notre-Dame-de-Grâce/Côte-St-Luc should also be mentioned. There, the vacancy rate rose from 3.1% to 5.2% in one year. On the Island of Montréal, this was one of the sectors where the addition of new units (both in number and in percentage terms) was the greatest in 2021. This more sustained increase in supply likely contributed to the easing on this market.

Lastly, it should be noted, again for the Island of Montréal, that the vacancy rate for bachelor and one-bedroom apartments increased in 2021 for the second consecutive year. This could, among other things, be an indication of renter households' desire to live in larger apartments since the start of the pandemic.

The situation was quite different in the suburbs, where the vacancy rate remained stable at 1.1%. Laval had the highest percentage of vacant apartments (2.2%), followed by the South Shore (1.1%) and the North Shore (0.4%).

Of the 12,000 new apartments added to the CMA's rental stock in 2021, about 60% were in the suburbs. The low vacancy rates are a sign that demand was once again very strong.

As we observed on the homeownership market, a shift in demand from the Island of Montréal to the suburbs may also have occurred on the rental market, as renters were looking for larger or newer apartments at often lower (or similar) prices.

Finally, the real estate market has shown strong price increases over the last two years, sometimes even more pronounced in the suburbs than in Montréal proper. As a result, rental housing demand was supported by a larger percentage of young households opting for the rental market.

New units easier to rent in the suburbs

The vacancy rate for newer apartments (built in the last three years) was similar to that for the overall market (regardless of the year of construction). The vacancy rate was also lower in the suburbs than on the Island of Montréal.

On the Island, nearly 25% of the newer units were built downtown, a sector that still posted a higher vacancy rate than elsewhere. This probably had an impact on the rental market on the rest of the Island.

The average rent for a newer downtown two-bedroom apartment was $2,450, which is not necessarily within everyone's reach. In the suburbs, meanwhile, the average monthly rent was $1,420.

Low availability of affordable apartments

The availability of affordable housing in Greater Montréal remains a topical issue, despite the sustained construction of rental apartments in the metropolitan area in recent years.

In 2021, only 13% of apartments (about 79,000) could be considered affordable for the least affluent 20% of renter households (income under $25,000).

Table 2: Vacancy rate (%) and number of rental apartments by renter household income quintile and rent range allowing for housing affordability*

Income ($) of Renter Households by Quintile	Affordable Monthly Rent Range ($)	Number of Rental Apartments in Each Rent Range	Vacancy Rate (%)
First quintile – less than $25,000	Less than $625	78,874	3.5
Second quintile – $25,000 to $36,000	$625 to $899	289,626	2.2
Third quintile – $36,000 to $53,000	$900 to $1,324	167,680	3.0
Fourth quintile – $53,000 to $81,000	$1,325 to $2,024	57,738	4.8
Fifth quintile – $81,000 or more	$2,025 or more	8,745	4.8

Source: CMHC

*The rent ranges are calculated at the accessibility threshold of 30% of monthly income for each quintile. Renter household income (unsubsidized, all household sizes) was derived from 2016 Census data and expressed in 2021 dollars.

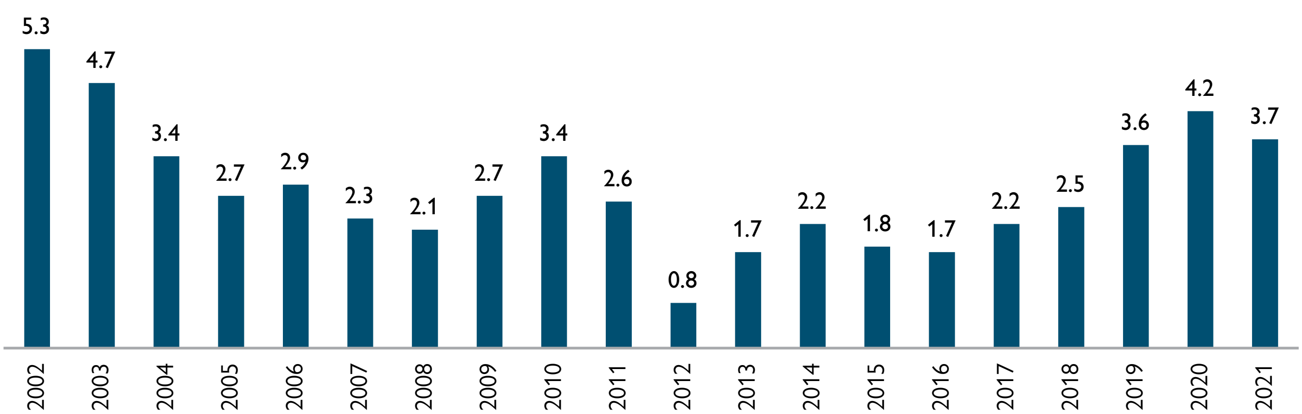
For the next segment of renter households by income (income between $25,000 and $36,000), 60% of apartments could be considered affordable. The vacancy rate for this category was only 2.2%.

In general, vacancy rates are higher for apartments with high rents, which are affordable only for renter households with higher incomes.

Rent increases still hovering around 4%

Between 2020 and 2021, the estimated change in the average rent in the Montréal CMA was 3.7% (see Figure 1). This increase is similar to the one noted the year before (4.2%), which was actually the strongest since the early 2000s.

Figure 1: Estimated change (%) in average rent



Source: CMHC

The scarcity of units for rent in the CMA is the source of this steady increase. Rent growth was stronger in sectors and for apartment types with the lowest vacancy rates (particularly on the South Shore and in Laval) and for larger units.

In downtown Montréal, where the vacancy rate is above 6%, the rent increase (2%) was one of the lowest of all sectors on the Island.

The rent for a two-bedroom apartment that was on the market was 22% higher than for a rented unit ($1,134 versus $928). This difference varied slightly from one sector to another: 27% in the suburbs and 21% on the Island of Montréal.

Few moves in the CMA, except downtown

According to our latest survey, 11.4% of renter households in the Montréal CMA had moved into a new apartment in the previous 12 months.

This result is similar to that observed in 2020, but remains low by historic standards. It should be noted that, in 2020, many tenants had probably been reluctant to move, with all the lockdown and public health measures that were in place.

However, two geographic sectors stood out in 2021:

- The Laval/North Shore sector, which, with its limited selection of vacant units, encouraged fewer households to move into other rental accommodations;
- The downtown Montréal sector, which, with the opening of borders and the return of in-person classes, saw a larger percentage of tenants move into a rental unit.

Decrease in vacancy rate for rental condominiums

The vacancy rate for rental condominiums decreased from 2% in 2020 to 1.4% in 2021 in the Montréal CMA.

The gradual resumption of international migration and the return of in-person college and university courses likely increased demand for this type of housing.

On the supply side, even with the addition of 5,300 condominium units to the stock, the number of units offered on the rental market remained practically unchanged from 2020 to 2021, moving from 40,350 to 40,700.

A slight decrease in supply was even observed in buildings with 6 to 19 units in the suburbs, as well as in larger buildings. The latter are generally located in the CMA's most central sectors and have a significant student or international clientele.

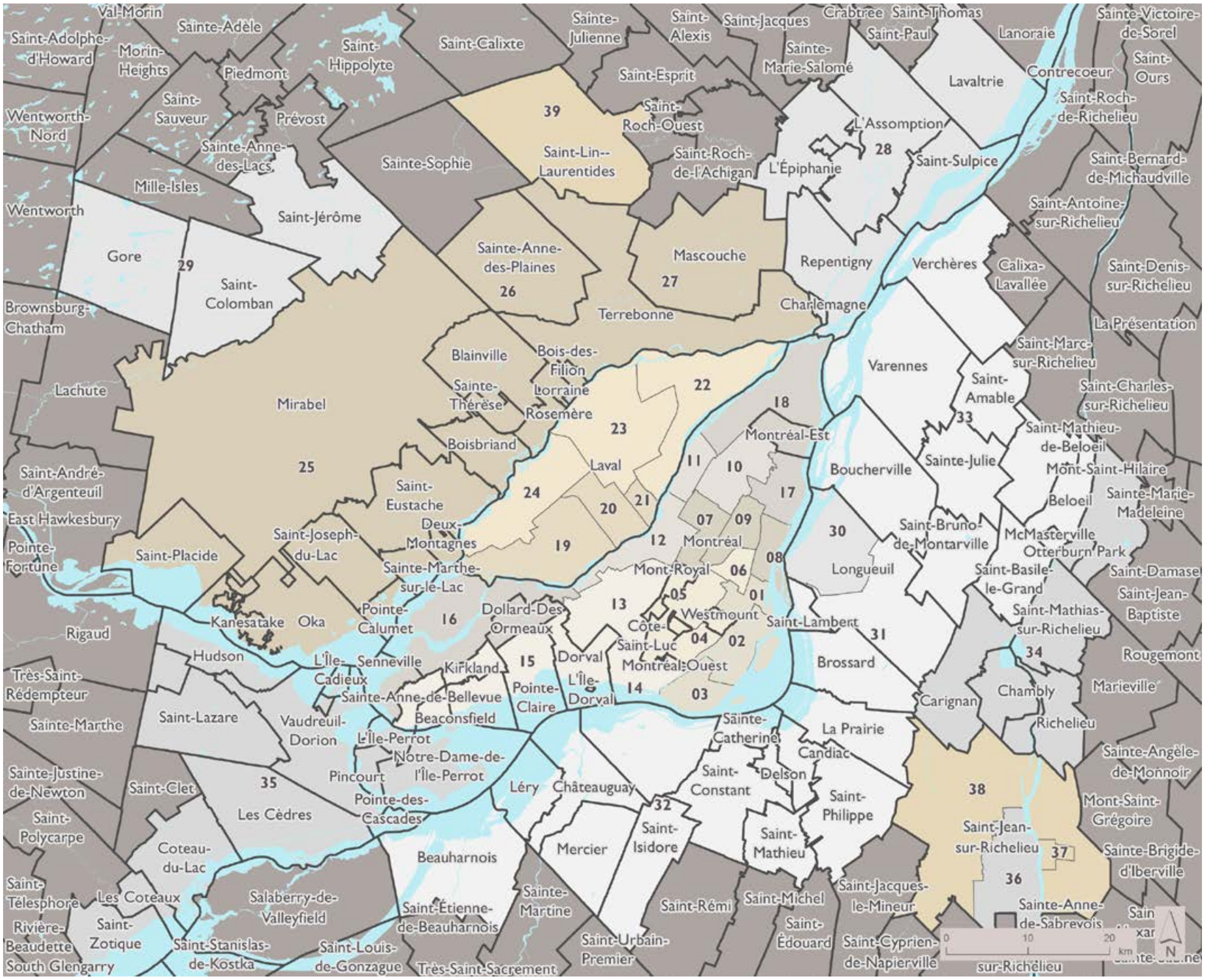
This decrease in the number of rental condominiums in large buildings comes after the opposite happened in 2020, when a very strong increase in supply was observed.

At that time, due to the lack of tourists, a significant number of condominiums used as short-term rentals were probably shifted to long-term rental.

In 2021, with the return of a certain amount of normalcy, these gains in supply stopped. In the end, with demand picking up and limited supply, the vacancy rate decreased.

The scarcity of available units contributed to upward pressure on rents. The rent for a two-bedroom condominium was $1,420 in 2021 in Greater Montréal, compared to $1,277 in 2020.

Download the Excel data table (XLSX) for this market. Data tables for all markets are also available for download at cmhc.ca/rental-market-report-data.



RMS Zone Descriptions – Montréal CMA

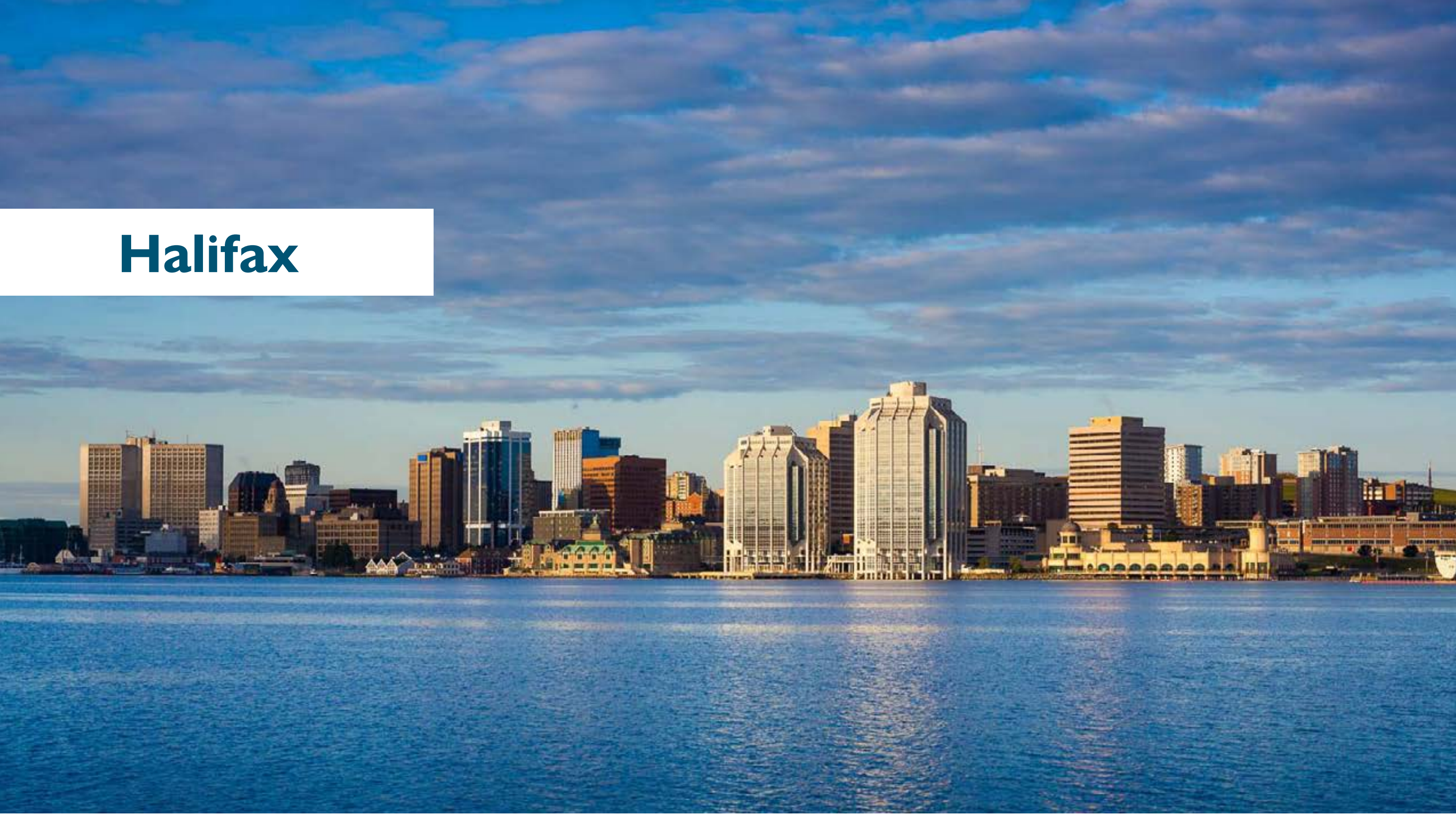
Zone 1	**Downtown Montréal, Île-des-Soeurs** - St. Lawrence River (south), Chemin Remembrance, Des Pins Avenue and Sherbrooke Street (north), Amherst Street (east), Guy Street (west) and Île-des-Soeurs.
Zone 2	**Le Sud-Ouest (Mtl), Verdun (Mtl)** - St. Lawrence River (south), Lachine Canal and limits of Westmount (north), Guy Street and Autoroute Bonaventure (east), limits of Lasalle (west).
Zone 3	**Lasalle (Mtl)**
Zone 4	**Notre-Dame-de-Grâce (Mtl), Côte-Saint-Luc, Hampstead, Westmount, Montréal-Ouest** - Lachine Canal (south), limits of Côte-Saint-Luc and Hampstead (north), Décarie Blvd. and limits of Westmount (east), limits of Montréal-Ouest and Saint-Pierre (west).
Zone 5	**Côte-des-Neiges (Mtl), Mont-Royal, Outremont (Mtl)** - limits of Westmount and Voie Camillien-Houde (south), limits of Mont-Royal (north), limits of Outremont (east), Décarie Blvd. (west).
Zone 6	**Plateau Mont-Royal (Mtl)** - Sherbrooke Street (south), CP Railway (north), D'Iberville Street (east), limits of Outremont and Du Parc Avenue (west).

Zone 7	**Villeray (Mtl), Saint-Michel (Mtl), Parc-Extension (Mtl)** - Bélanger Street and Jean-Talon Street (south), Autoroute Métropolitaine and CN Railway (north), 24th Avenue (east), De l'Acadie Blvd. (west).
Zone 8	**Hochelaga-Maisonneuve (Mtl)** - St. Lawrence River (south), Sherbrooke Street (north), Viau Street (east), Amherst Street (west).
Zone 9	**Rosemont (Mtl), La Petite-Patrie (Mtl)** - Sherbrooke Street and CP Railway (south), Jean-Talon Street, Bélanger Street and limits of Saint-Léonard (north), Lacordaire Street and Dickson Street (east), Du Parc Avenue (west).
Zone 10	**Anjou (Mtl), Saint-Léonard (Mtl)** - Métropolitain Blvd. and Jarry Street (south), Rivière des Prairies (river) (north), limits of Montréal-Nord and Saint-Léonard (east), Railway (west).
Zone 11	**Montréal-Nord (Mtl)**
Zone 12	**Ahuntsic (Mtl), Cartierville (Mtl)** - Rivière des Prairies (river) (north), Saint-Michel Blvd. (east), limits of the former municipality of Pierrefonds (west).
Zone 13	**Saint-Laurent (Mtl)**
Zone 14	**Dorval, Lachine, Saint-Pierre (Mtl)**
Zone 15	**Baie-d'Urfé, Beaconsfield, Kirkland, Pointe-Claire, Senneville, Sainte-Anne-de-Bellevue**
Zone 16	**Dollard-des-Ormeaux, Saint-Raphaël-de-l'Île-Bizard (Mtl), Pierrefonds (Mtl), Roxboro (Mtl), Sainte-Geneviève (Mtl), Senneville (Mtl)**
Zone 17	**Mercier (Mtl)** - St. Lawrence River (south), Bélanger Street (north), limits of the former municipality of Montréal-Est (east), Viau Street and Dickson Street (west).
Zone 18	**Pointe-aux-Trembles (Mtl)**, Rivière-des-Prairies (Mtl), Montréal-Est (Mtl)
Zones 1-18	**Île de Montréal**
Zone 19	**Chomedey, Sainte-Dorothée (Laval)**
Zone 20	**Laval-des-Rapides (Laval)**
Zone 21	**Pont-Viau (Laval)**
Zone 22	**Saint-François, Saint-Vincent, Duvernay (Laval)**
Zone 23	**Vimont, Auteuil (Laval)**
Zone 24	**Laval-Ouest, Fabreville, Sainte-Rose (Laval)**
Zones 19-24	**Laval**
Zone 25	**Deux-Montagnes, Oka, Pointe-Calumet, Sainte-Marthe-sur-le-Lac, Saint-Eustache, Saint-Joseph-du-Lac, Saint-Placide, Mirabel**
Zones 26	**Blainville, Boisbriand, Bois-des-Filion, Lorraine, Rosemère, Sainte-Anne-des-Plaines, Sainte-Thérèse**
Zone 28	**Charlemagne, L'Assomption, Le Gardeur, L'Épiphanie, Repentigny, Saint-Gérard-Majella, Saint-Sulpice, Lavaltrie**
Zone 29	**Bellefeuille, Lafontaine, Saint-Antoine, Saint-Jérôme, Gore, Saint-Colomban**
Zones 27 & 39	**Lachenaie, La Plaine, Mascouche, Terrebonne, Saint-Lin-Laurentides**
Zones 25-29, 39	**North Shore**
Zones 19-29, 39	**Laval and North Shore**
Zone 30	**Longueuil**
Zones 31	**Boucherville, Brossard, Greenfield-Park, Lemoyne, Saint-Hubert, Saint-Lambert**

Zone 32	**Beauharnois, Candiac, Châteauguay, Delson, Laprairie, Léry, Maple Grove, Melocheville, Mercier, Sainte-Catherine, Saint-Constant, Saint-Isidore, Saint-Mathieu, Saint-Philippe**
Zones 33	**Beloeil, McMasterville, Saint-Amable, Saint-Basile-le-Grand, Saint-Bruno-de-Montarville, Sainte-Julie, Saint-Mathieu-de-Beloeil, Varennes, Verchères**
Zone 34	**Carignan, Chambly, Mont-Saint-Hilaire, Notre-Dame-du-Bon-Secours, Otterburn Park, Richelieu, Saint- Mathias**
Zones 36-38	**St-Jean-sur-Richelieu, Iberville, Saint-Luc**
Zones 30-34, 36-38	**South Shore**
Zone 35	**Notre-Dame-de-L'île-Perrot, Pincourt, Pointe-des-Cascades, Vaudreuil-sur-le-Lac, Saint-Lazare, Terrasse-Vaudreuil, Vaudreuil-Dorion, Hudson, Île-Cadieux, Île-Perrot, Les Cèdres, Saint-Zotique, Coteau-du-Lac M, Les Coteaux M.**
Zones 19-39	**Suburbs**
Zones 1-39	**Montréal CMA**

Condominium Sub Area Descriptions – Montréal CMA

Sub Area 1	**Downtown** includes RMS Zone 1: Downtown Montréal, Île-des-Soeurs.
Sub Area 2	**Outer Centre** includes RMS Zone 2: Le Sud-Ouest (Mtl), Verdun (Mtl); Zone 4: Notre-Dame-de-Grâce (Mtl), Côte-Saint-Luc, Hampstead, Westmount, Montréal-Ouest; Zone 5: Côte-des-Neiges (Mtl), Mont-Royal, Outremont (Mtl); and Zone 6: Plateau Mont-Royal (Mtl).
Sub Area 3	**West Part of Island of Montréal** includes RMS Zone 3: LaSalle (Mtl); Zone 12: Ahuntsic (Mtl), Cartierville (Mtl); Zone 13: Saint-Laurent (Mtl); Zone 14: Dorval, Lachine (Mtl); Zone 15: Baie-d'Urfé, Beaconsfield, Kirkland, Pointe-Claire, Senneville, Sainte-Anne-de-Bellevue; and Zone 16: Dollard-des-Ormeaux, Saint-Raphaël-de-l'Île-Bizard (Mtl), Pierrefonds (Mtl), Roxboro (Mtl), Sainte-Geneviève (Mtl).
Sub Area 4	**East Part of Island of Montréal** includes RMS Zone 7: Villeray (Mtl), Saint-Michel (Mtl), Parc-Extension (Mtl); Zone 8: Hochelaga-Maisonneuve (Mtl); Zone 9: Rosemont (Mtl), La Petite-Patrie (Mtl); Zone 10: Anjou (Mtl), Saint-Léonard (Mtl); Zone 11: Montréal-Nord (Mtl); Zone 17: Mercier (Mtl); and Zone 18: Pointe-aux-Trembles (Mtl), Rivière-des-Prairies (Mtl), Montréal-Est (Mtl).
Sub Areas 1-4	**Montréal Island**
Sub Area 5	**Laval** includes RMS Zone 19: Chomedey, Sainte-Dorothée (Laval); Zone 20: Laval-des-Rapides (Laval); Zone 21: Pont-Viau (Laval); Zone 22: Saint-François, Saint-Vincent, Duvernay (Laval); Zone 23: Vimont, Auteuil (Laval); Zone 24: Laval-Ouest, Fabreville, Sainte-Rose (Laval).
Sub Area 6	**Vaudreuil-Soulanges** includes Zone 35: Notre-Dame-de-l'Île-Perrot, Pincourt, Pointe-des-Cascades, Vaudreuil-sur-le-Lac, Saint-Lazare, Terrasse-Vaudreuil, Vaudreuil-Dorion, Hudson, Île-Cadieux, Île-Perrot, Les Cèdres.
Sub Area 7	**North Shore** includes Zone 25: Deux-Montagnes, Oka, Pointe-Calumet, Sainte-Marthe-sur-le-Lac, Saint-Eustache, Saint-Joseph-du-Lac, Saint-Placide, Mirabel; Zone 26: Blainville, Boisbriand, Bois-des-Filion, Lorraine, Rosemère, Sainte-Anne-des-Plaines, Sainte-Thérèse; Zone 28: Charlemagne, L'Assomption, Le Gardeur, L'Épiphanie, Repentigny, Saint-Gérard-Majella, Saint-Sulpice, Lavaltrie; Zone 29: Bellefeuille, Lafontaine, Saint-Antoine, Saint-Jérôme, Gore, Saint-Colomban; Zone 27 & 39: Lachenaie, La Plaine, Mascouche, Terrebonne, Saint-Lin-Laurentides.
Sub Area 8	**South Shore** includes RMS Zone 30: Longueuil; Zone 31: Boucherville, Brossard, Greenfield-Park, Lemoyne, Saint-Hubert, Saint-Lambert; Zone 32: Beauharnois, Candiac, Châteauguay, Delson, Laprairie, Léry, Maple Grove, Melocheville, Mercier, Sainte-Catherine, Saint-Constant, Saint-Isidore, Saint-Mathieu, Saint-Philippe; Zone 33: Beloeil, McMasterville, Saint-Amable, Saint-Basile-le-Grand, Saint-Bruno-de-Montarville, Sainte-Julie, Saint-Mathieu-de-Beloeil, Varennes; Zone 34: Carignan, Chambly, Mont-Saint-Hilaire, Notre-Dame-du-Bon-Secours, Otterburn Park, Richelieu, Saint-Mathias; Zone 36-38: St-Jean-sur-Richelieu, Iberville, Saint-Luc.
Sub Areas 1-8	**Montréal CMA**



Halifax

PURPOSE BUILT RENTAL MARKET

Vacancy Rate

1%

Average Two-Bedroom Rent

$1,335

UP by 4.8%

CONDOMINIUM APARTMENT MARKET

Vacancy Rate

0%

Average Two-Bedroom Rent

$1,530

Data tables from the Rental Market Survey and the Condominium Apartment Survey are available by market by clicking on the link www.cmhc.ca/rental-data-tables

"Rental market conditions tightened in 2021, with increased demand for apartments outpacing supply."

Chris Janes
Senior Analyst, Economics

MARKET INSIGHTS

HIGHLIGHTS

The vacancy rate declined to 1%, with rental supply unable to keep up with higher demand. The lowest vacancy rate was in the remainder of CMA zone.

Same sample total average apartment rent increased 5.1% with the largest increase in Mainland South zone and highest rent paid in the Peninsula South zone.

Canadians fleeing COVID-19 restrictions, crowded cities and high house prices in the Halifax region resulted in record interprovincial migration trends in 2021.

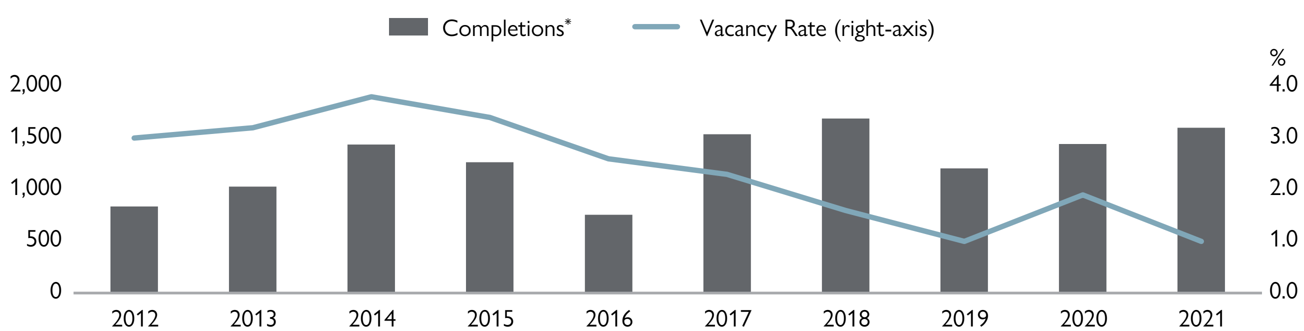
Lower vacancy rates and higher rents likely challenged lower-income households, young adults, fixed-income seniors and new immigrants searching for affordable rental apartments.

Overall rental market conditions tightened

Increased demand for rental apartments outpaced supply in 2021. The vacancy rate in the Halifax Census Metropolitan Area (CMA) declined from 1.9% to 1% in October 2021. This matched 2019 as the lowest level reported over the past 30+ years. Total average rent was $1,244, up 5.1% on a same sample basis, compared to $1,170 in 2020.

There was a net increase of 1,103 units within our latest rental market survey universe. Our starts and completions survey recorded 1,600 rental apartment completions, which wasn't enough to offset demand (Figure 1). The tightening of the rental market in 2021 reflected a stronger increase in rental demand fundamentals relative to changes in apartment supply.

Figure 1: Vacancy rate and rental apartment completions



Source: CMHC

*Figures are for rental units completed between the rental market surveys, which includes the period from July of the year preceding a given survey to June of the following year.

Economic recovery supported the rental market

The ongoing economic recovery in Nova Scotia strengthened rental demand in Halifax in 2021. Early stages of recovery only benefitted those industries where workers could work remotely from home. However, as things reopened and normalized, labor market conditions improved, contributing to recent robust rental market activity.

As of the time of this survey, the economic recovery returned to near pre-COVID-19 pandemic levels. Employment increased more than 5%, the unemployment rate was approximately 8% and income rose by about 7% in year-over-year terms. Furthermore, the Canada Recovery Benefit (CRB) provided support for renters unable to work or who experienced reduced income because of COVID-19. These factors helped tenants pay their rent and likely enabled some to move up to better or newer accommodations.

Improved labour market a factor

Labour markets in the transportation, professional services and manufacturing sectors rebounded quickly and continued to grow in 2021. Unfortunately, hospitality and recreation lagged well below pre-COVID-19 employment levels due to their high contact and high-risk nature. Full-time employment continued to gain ground, while part-time employment lagged. This was especially true among part-time youth aged 15 to 24 employed in hospitality and recreation. Generally, these youth are more likely to rent after separating from their parents.

The construction sector and the finance, insurance and real estate (FIRE) sectors also made solid contributions to overall economic activity in 2021. Construction activity in new homes and rental apartments supported these sectors. At the time of this survey, urban housing starts were up 23% for Nova Scotia and 16% in Halifax. A robust housing market contributed to a 5% growth in FIRE employment up to October.

The housing market was so robust that the level of vulnerability remained high for Halifax based on our Housing Market Assessment (HMA) framework. According to HMA indicators for evidence of imbalances, year-over-year house sales were up approximately 25%, showing overheating relative to new listings and average house prices were up around 30%, indicating overvaluation compared to price fundamentals. The erosion of affordability would have made homeownership increasingly difficult for renter households in 2021. We'll continue to monitor labour market activity and its impact on the market going forward.

Rental apartment demand buoyed by migration

The COVID-19 pandemic has severely restricted immigrants and non-permanent residents such as international students and work permit holders from coming to Canada since early 2020. Atlantic Canada, in particular Nova Scotia and Halifax, were not immune to this. Despite the decline in international migration during the pandemic, the Atlantic Immigration Pilot (AIP) is expected to help revitalize international migration as restrictions are lifted.

As of October 2021, the immigration situation seemed to have reversed, with improved population growth for youth aged 15 to 24 and an increase in temporary residents by more than 50% compared to a year earlier. Students returning to Halifax's universities also increased demand for rental apartments.

Nova Scotia emerged as a COVID-19 safety haven in 2020 and 2021 for Canadians fleeing crowded cities and astronomically high house prices. Many located to the Halifax region. Despite the biggest increase in supply, Zone 10 - Remainer of CMA had the lowest vacancy rate among all submarkets. This reflects the strength of the recent in-migration-driven rental demand in Halifax. The Atlantic region has done an excellent job of managing COVID-19 with the rate of cases per 100,000 population at a fraction of the national average, and vaccination rates are high. Halifax and Nova Scotia, in general, benefitted from this in 2021.

Interprovincial migration key factor in population growth

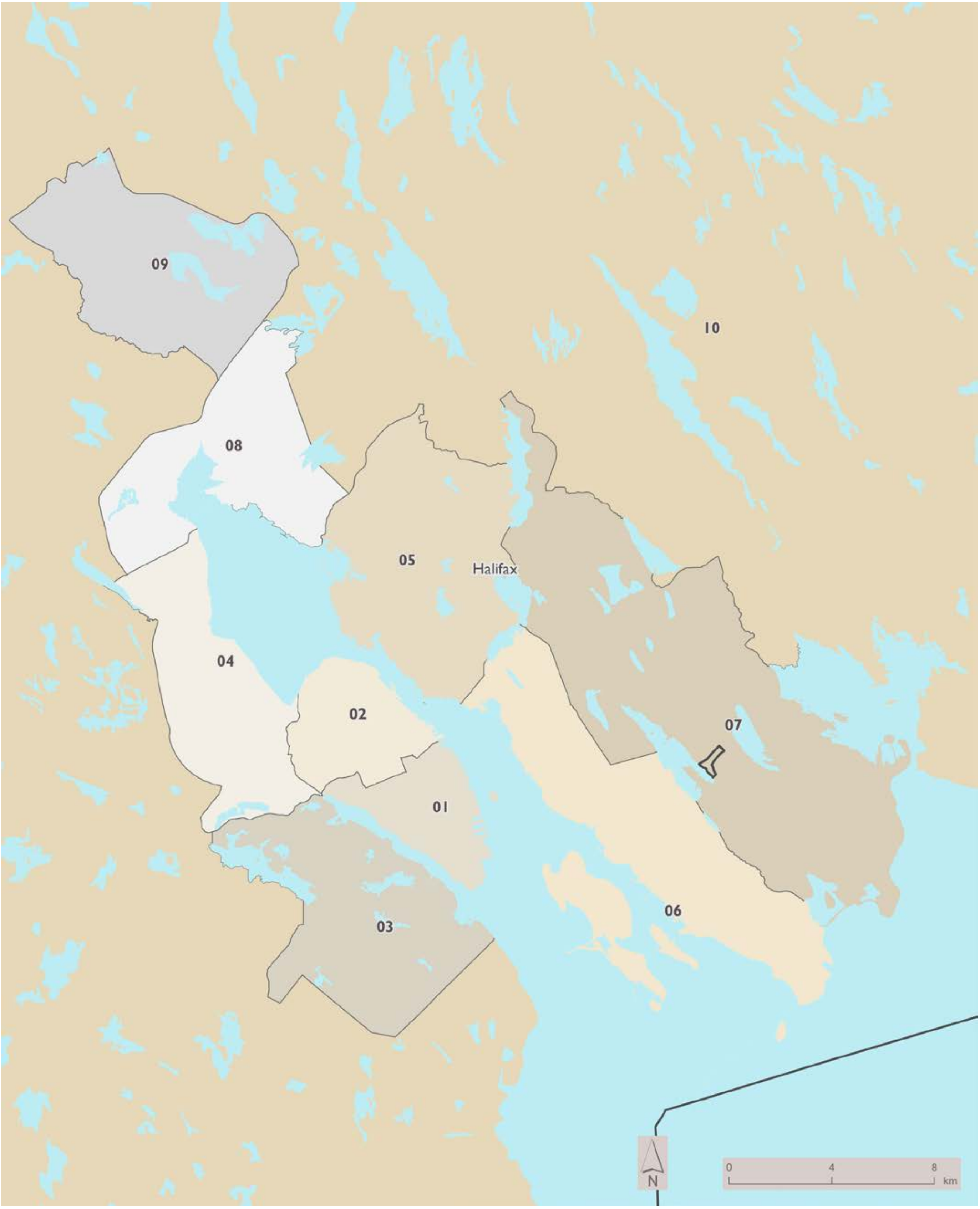
By October 2021, the population had increased by approximately 1% as a result of the highest interprovincial migration in over 30 years, mainly from Ontario and Alberta. This made Halifax Canada's fastest-growing city. This increase was higher than 2019 and 2020 combined and the surge in the second quarter alone was the highest since data collection began in 1961. We'll keep a close eye on migration trends and their future impact on the market.

More than half of net interprovincial migrants were in the 20-49 core working-age group, a key segment of both the rental and labor markets. According to market intelligence, this included a larger-than-usual number of renters. Due to the flexibility of remote office work, many working professionals are moving to Nova Scotia and the Halifax region.

Seniors and retirees also capitalized on high house prices in more expensive markets such as Vancouver and Toronto to move to the Halifax region. To age comfortably, this trend is likely to take advantage of larger geographies and open spaces, as well as less densely populated areas, less traffic congestion and more affordable housing ownership and rental options.

These migration trends fueled demand for larger, higher-priced rental apartments, particularly in newer apartment buildings. According to Table 1.4, the vacancy rate for the most expensive units priced above $1,150 fell by 130 basis points, the biggest decline among all rent ranges. In the last survey, more expensive units in larger buildings and two and three-bedroom apartments had lower than average vacancy rates. Rents for two-bedroom and larger apartments in newer buildings are only affordable for renters with higher incomes and savings, such as working professionals and retirees.

Download the Excel data table (XLSX) for this market. Data tables for all markets are also available for download at cmhc.ca/rental-market-report-data.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RMS Zone Descriptions – Halifax CMA

Zone 1	**Halifax Peninsula South** begins at Cornwallis Street, then along Cunard to Robie Street. From Robie the boundary runs south to Quinpool Road; along Quinpool to Connaught Avenue; north on Connaught to Chebucto Road to the North West Arm.
Zone 2	**Halifax Peninsula North** is the northern section of the Halifax Peninsula, separated from the mainland by Dutch Village Road and Joseph Howe Avenue.
Zone 3	**Halifax Mainland South** is the mainland area within the city of Halifax south of St. Margaret's Bay Road.
Zone 4	**Halifax Mainland North** is the mainland area within the city of Halifax boundaries north of St. Margaret's Bay Road.
Zones 1-4	**City of Halifax**
Zones 5	**Dartmouth North** is the part of Dartmouth north of Ochterloney Street, Lake Banook and Micmac Lake.
Zones 6	**Dartmouth South** is south of Ochterloney Street and Lake Banook and west of (outside) the Circumferential Highway, including Woodside as far as CFB Shearwater.
Zone 7	**Dartmouth East** is the area bounded by Micmac Lake and Lake Charles to the west, Highway 111, Halifax Harbour to Hartlen Point to the south, Cow Bay and Cole Harbour to the east and Ross Road, Lake Major Road, Lake Major and Spider Lake to the north.
Zones 5–7	**City of Dartmouth**
Zone 8	**Bedford** is the area bounded by Highway 102, the Sackville River and Kearney Lake to the west, continuing northeast to Rock Lake, south to Anderson Lake, southwest to Wrights Cove north of Pettipas Drive.
Zone 9	**Sackville** is the area bounded by Highway 102, North of Highway 101 & Margeson Drive northeast to Feely Lake, South along Windgate Drive to Windsor Junction Road then south to Highway 102.
Zone 10	**Remainder of CMA** is the remaining portion of HRM east of Ross Road and Lake Major Road, north of Wilson Lake Drive and Beaverbank-Windsor Junction Crossroad, west of Kearney Lake and Birch Cove Lakes and south of Long Lake and the community of Herring Cove.
Zones 1-10	**Halifax CMA**

Appendix

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.**

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.

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 2020 and October 2021 data is based on Statistics Canada's 2016 Census area definitions.

Acknowledgement

The Rental Market Survey and the Condominium Apartment 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.

CMHC helps Canadians meet their housing needs

Canada Mortgage and Housing Corporation (CMHC) has been helping Canadians meet their housing needs for more than 70 years. As Canada's authority on housing, we contribute to the stability of the housing market and financial system, provide support for Canadians in housing need, and offer unbiased housing research and advice to Canadian governments, consumers and the housing industry. Prudent risk management, strong corporate governance and transparency are cornerstones of our operations.

For more information, visit our website **cmhc.ca** or follow us on Twitter, LinkedIn, Facebook, Instagram and YouTube.

You can also reach us by phone at 1-800-668-2642 or by fax at **1-800-245-9274**.

Outside Canada call **613-748-2003** or fax to **613-748-2016**.

Canada Mortgage and Housing Corporation supports the Government of Canada policy on access to information for people with disabilities. If you wishto obtain this publication in alternative formats, call **1-800-668-2642**.

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Alternative text and data for figures

Canada Overview

Figure 1: Canada's vacancy rate held steady in 2021 following pandemic-induced jump in 2020 (for purpose-built rental apartments)

Year	Vacancy rate	Historical average vacancy rate (1990-2021)
1990	3.5	3.2
1991	4.4	3.2
1992	4.8	3.2
1993	4.9	3.2
1994	4.7	3.2
1995	4.5	3.2
1996	4.5	3.2
1997	4.5	3.2
1998	4.0	3.2
1999	3.2	3.2
2000	2.2	3.2
2001	1.7	3.2
2002	2.1	3.2
2003	2.6	3.2
2004	2.9	3.2
2005	2.8	3.2
2006	2.7	3.2
2007	2.6	3.2
2008	2.3	3.2
2009	3.0	3.2
2010	2.9	3.2
2011	2.5	3.2
2012	2.8	3.2
2013	2.9	3.2
2014	3.0	3.2
2015	3.5	3.2
2016	3.7	3.2
2017	3.0	3.2
2018	2.4	3.2
2019	2.2	3.2
2020	3.2	3.2
2021	3.1*	3.2

Sources: CMHC Rental Market Survey, CMHC Condominium Apartment Survey, REBGV, FVREB; CMHC calculations

Canada: Centres of 10,000+ population.

*Change in 2021 vacancy rate is not statistically significant. This means that the change between 2021 and 2020 is not statistically different than zero (0).

Figure 2: Most markets saw stable or declining vacancy rates for purpose-built rental apartments, Toronto being an exception

Region	Oct. 2020	Oct. 2021 (shown on figure)
Vancouver	2.6	1.2
Victoria	2.2	1.0
Edmonton*	7.2	7.3
Calgary	6.6	5.1
Saskatoon	5.9	4.8
Regina	7.5	7.1
Winnipeg	3.8	5.0
Hamilton	3.5	2.8
Greater Sudbury*	2.5	1.8
Kitchener - Cambridge - Waterloo*	2.1	2.0
Belleville	3.0	1.7
Peterborough	2.6	1.0
Windsor*	3.6	3.5
St.Catharines-Niagara	2.7	1.9
London	3.4	1.9
Kingston	3.2	1.4
Toronto	3.4	4.6
Ottawa*	3.9	3.4
Gatineau	1.6	1.1
Québec*	2.7	2.5
Montréal*	2.7	3.0
Halifax	1.9	1.0
CANADA*	3.2	3.1

Source: CMHC

Canada: Centres of 10,000+ population.

*Change in 2021 vacancy rate is not statistically significant. This means that the change between 2021 and 2020 is not statistically different than zero (0).

Figure 3: Rent growth slowed across Canada, including a marked decline in Toronto. Vancouver and Montréal were major exceptions

Region	Oct. 2020	Oct. 2021 (shown on figure)
Vancouver	1.5	2.4
Victoria	3.3	3.1
Edmonton	++	-0.5
Calgary	++	++
Saskatoon	2	0.5
Regina	0.8	++
Winnipeg	3	2.8
Hamilton	5	3.7
Greater Sudbury	**	8.4
Kitchener - Cambridge - Waterloo	4	3.2
Belleville	6.3	++
Peterborough	5.3	**
Windsor	8.7	5.7
St.Catharines-Niagara	6.1	5.7
London	6.8	3.1
Kingston	2.5	2.9
Toronto	4.5	1.3
Ottawa	5.2	1.3
Gatineau	2.2	6.7
Québec	2.7	2.1
Montréal	3.6	4
Halifax	4.2	4.8
CANADA	3.5	3

Source: CMHC. Rent growth measured for privately initiated apartment structures of three or more units in both the 2020 and 2021 surveys

Canada: Centres of 10,000+ population.

** – Data Suppressed;

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

Vancover CMA

Figure 1: Average rents of vacant and occupied apartments, all bedroom types ($)

Year	Average rent	
	Vacant Units	Occupied Units
2014	$995	$1,100
2015	$1,131	$1,144
2016	$1,299	$1,223
2017	$1,435	$1,296
2018	$1,578	$1,383
2019	$1,771	$1,466
2020	$1,820	$1,499
2021	$1,681	$1,535

Source: CMHC

Figure 2: Components of change in supply of rental condominium apartments

Year	Number of existing units converted to rental	Number of newly added units rented in same year	Net change in supply of rental units
2012	315	3,409	3,724
2013	1,230	1,466	2,696
2014	-1,637	2,011	374
2015	2,935	2,040	4,975
2016	-2,796	4,312	1,516
2017	474	1,367	1,841
2018	-2,992	1,911	-1,081
2019	8,824	2,294	11,118
2020	3,631	3,506	7,137
2021	-426	2,976	2,550

Source: CMHC

Victoria CMA

Figure 1: Carrying cost of homeownership and market rent continued to rise

Year	Carrying Cost - avg. condo	Avg. Rent - Occupied Units (Purpose-built aprtment)	Avg. Rent - Vacant Units (Purpose-built apartment)	Avg. Rent - Condo (Secondary non-purpose-built)	20% Down Payment
2014	$1,357	$918	$957	$1,289	$65k
2015	$1,344	$941	$986	$1,356	$65k
2016	$1,465	$993	$1,170	$1,382	$71k
2017	$1,620	$1,071	$1,312	$1,451	$84k
2018	$1,905	$1,166	$1,516	$1,518	$94k
2019	$1,786	$1,219	$1,464	$1,641	$93k
2020	$1,710	$1,267	$1,623	$1,856	$97k
2021	$1,851	$1,319	$1,657	$1,878	$110k

Source: CMHC, VREB, CMHC calculations

Note: Carrying cost is estimated and includes mortgage parymENT for a conventional 25 year amortization with a 20% down payment for average price of condominium, but exclude strata fees and taxes.

Figure 2: Rental supply growth slowed in urban areas

Urban area	Change of the rental universe (2020-2021)	Rental completions
Cook St. Area	-32	1
Fort St. Area	-19	4
James Bay Area	20	2
Remainder of City	-11	240
Saanich/Central Saanich	96	101
Esquimalt	93	75
Westshore	331	1,456
Oak Bay	-3	0
North Saanich	0	17
Sidney	30	30
Victoria CMA Total	505	1,926

Source: CMHC

Note: Rental completions refers to cumulative completion from July 2020 to June 2021, which is the same time frame covered by the 2021 Rental Market Surveys.

Figure 3: Market rents remain above the affordable level for most households

	Bachelor	1 Bedroom	2 Bedroom	3 Bedroom
Share of units affordable to household income $25K – $42K	53%	35%	7%	1%
Share of units affordable to household income $42K – $64K	96%	89%	55%	15%
Share of units affordable to household income $64K – $98K	97%	99%	96%	87%
Average Rent (occupied)	$1,027	$1,210	$1,566	$1,949
Max rent affordable for household with income <$25K	$625	$625	$625	$625
Max rent affordable for household with income $25K – $42K	$1,049	$1,049	$1,049	$1,049
Max rent affordable for household with income $42K – $64K	$1,599	$1,599	$1,599	$1,599
Max rent affordable for household with income $64K – $98K	$2,449	$2,449	$2,449	$2,449
Average Rent (vacant)	$1,339	$1,535	$1,976	$2,345

Source: CMHC. Rental Market Survey 2021 Table 3.1.8

Note: Average rent include apartment and townhouse in the purpose-built rental universe (Table 3.1.9). Survey results on market rentals aforable for household with income <$25k is suppressed as data is not statistically reliable. Cumulative share of affordable rental units maybe lower than 100% because data of parts of rental universes is suppressed as data is not statistically reliable.

Edmonton CMA

Figure 1: Cumulative proportion of market purpose-built rental universe affordable to each quintile of the renter household income distribution

Quintile	Household income	Share of Total Universe Considered Affordable (LHS)	Units Available as of October 2021 (RHS)
Q1	< $36K	0.15	1,341
Q2	$36K–59K	0.87	5,030
Q3	$59K–87K	0.99	5,730
Q4	$87K–117K	1.00	5,771
Q5	$117K +	1.00	5,800

Source: CMHC, Statistics Canada, CMHC calculations

Note: Rent ranges are calculated at the affordability threshold of 30% of monthly income for each quintile. Renter household income (non-subsidized, all household sizes) was derived from the 2016 Census and expressed in 2021 dollars.

Figure 2: Monthly rent and carrying cost of ownership

Year	Average Rent - Purpose-built	Average Rent - Condo	Carrying Cost - Median Condo	5% Down Payment - Median Condo (right axis)	Own vs Rent (Purpose-built) Gap
2012	$965	$1,186	$1,493	$10,554	$528
2013	$1,028	$1,146	$1,572	$10,835	$544
2014	$1,103	$1,158	$1,555	$11,123	$452
2015	$1,137	$1,348	$1,540	$11,278	$403
2016	$1,113	$1,310	$1,466	$10,880	$353
2017	$1,101	$1,265	$1,485	$10,632	$384
2018	$1,131	$1,321	$1,429	$9,973	$298
2019	$1,144	$1,262	$1,299	$9,493	$155
2020	$1,153	$1,283	$1,181	$8,903	$28
2021	$1,158	$1,290	$1,254	$9,168	$96

Source: CMHC, Canadian Real Estate Association (CREA), Tangerine, CMHC calculations

Note: Calculations for the carrying cost of condo ownership assume a 25-yr amortization, discounted 5-year mortgage rate and takes into consideration monthly property taxes, strata fees, CMHC MLI premiums.

Figure 3: MLS sales and comparison of active listings, properties under $300,000 - Edmonton, Vancouver, Toronto

Period	Edmonton Listings	Toronto Listings	Vancouver Listings	Edmonton Sales
2010Q1	3,338	5,282	1,875	2,001
2010Q2	3,640	5,620	2,085	1,758
2010Q3	3,543	5,197	2,018	1,683
2010Q4	3,471	4,326	2,125	1,896
2011Q1	3,266	4,231	2,045	1,964
2011Q2	3,233	4,021	2,019	1,980
2011Q3	3,404	4,054	2,041	1,907
2011Q4	3,145	4,341	1,979	1,929
2012Q1	3,298	3,709	2,209	2,033
2012Q2	3,150	3,532	2,288	1,950
2012Q3	2,911	3,559	2,294	1,835
2012Q4	2,844	3,512	2,293	1,877
2013Q1	2,663	3,221	2,218	1,884
2013Q2	2,612	3,165	2,235	1,849
2013Q3	2,482	3,036	2,236	2,010
2013Q4	2,189	2,861	2,193	1,967
2014Q1	2,043	2,749	2,202	1,905
2014Q2	2,120	2,677	2,291	1,950
2014Q3	2,004	2,509	2,184	1,894
2014Q4	1,803	2,316	2,123	1,762

Period	Edmonton Listings	Toronto Listings	Vancouver Listings	Edmonton Sales
2015Q1	2,389	2,404	1,959	1,503
2015Q2	2,450	2,119	1,817	1,638
2015Q3	2,622	1,978	1,485	1,687
2015Q4	2,751	1,751	1,134	1,513
2016Q1	3,039	1,541	862	1,432
2016Q2	2,997	1,170	520	1,540
2016Q3	3,255	781	376	1,462
2016Q4	3,459	427	287	1,490
2017Q1	3,391	225	237	1,688
2017Q2	3,558	244	170	1,439
2017Q3	3,753	261	159	1,455
2017Q4	3,755	220	116	1,676
2018Q1	3,940	184	94	1,603
2018Q2	4,052	192	123	1,511
2018Q3	3,967	156	138	1,549
2018Q4	3,908	164	148	1,538
2019Q1	3,670	135	163	1,541
2019Q2	3,553	116	168	1,685
2019Q3	3,552	121	163	1,735
2019Q4	3,630	111	170	1,631
2020Q1	3,423	94	155	1,580
2020Q2	3,002	69	150	1,317
2020Q3	3,250	45	135	1,938
2020Q4	3,315	53	140	1,840
2021Q1	3,521	45	102	2,225
2021Q2	3,607	37	82	2,243
2021Q3	3,466	36	65	1,948

Source: Canadian Real Estate Association (CREA)

Note: Geographies refer to Census Metropolitan Areas, sales and listings trends for properties under $300,000.

Calgary CMA

Figure 1: Stronger demand seen for 1-bedroom units in large structures

Structure	Oct-20, 1 Bedroom	Oct-20, Total	Oct-21, 1 Bedroom	Oct-21, Total
3 to 5 Units	4.4	8.1	5.2	5.4
6 to 19 Units	5.8	6	4.9	4.3
20 to 49 Units	4.7	4.4	3.9	4.3
50 to 99 Units	5.3	5	4.3	5.5
100 to 199 Units	6.5	7	7.6	6.8
200+ Units	11.7	10.4	4.8	4.6
Total	6.8	6.6	5.1	5.1

Source: CMHC

Figure 2: Units in newer structures can command significant premiums

	Bachelor	1 Bedroom	2 Bedroom	3 Bedroom +	Total	Universe
All Ages	920	1,111	1,355	1,347	1,222	44,723
New Rental Stock, Completed June 2018 to June 2021	1,210	1,480	1,865	2,209	1,692	5,394

Source: CMHC

Figure 3: Rental supply growth above average in most of Calgary

	2020-2016 Average	2021
Calgary	1,353.6	2,728.0
Downtown	147.8	176.0
Beltline	331.8	606.0
North Hill	77.8	260.0
Southwest	57.6	344.0
Southeast	221.8	303.0
Northwest	123.2	688.0
Northeast	168.6	141.0
Chinook	18.0	206.0
Fish Creek	59.8	4.0
Other Centres	147.2	0.0

Source: CMHC

Saskatoon CMA

Figure 1: The overall apartment vacancy rate declined in 2021

	2020	2021
Central*	5.1	5
South	5.4	2.9
Southeast*	7.2	6.5
Northeast	4.6	3.3
North*	5.7	4.8
Southwest*	10	9.6
West	5.6	4.4
Outlying Areas	0.5	5.3
Saskatoon CMA*	5.9	4.8

Source: CMHC

*The change in the vacancy rate between the 2021 and 2020 surveys was statistically insignificant.

Figure 2: Rental occupancy in 2021 outpaced increases in supply

Year	Change in Occupancy (Units)	Change in Universe (Units)
2008	-766	-601
2009	-133	-136
2010	-207	-120
2011	-209	-215
2012	352	361
2013	-11	2
2014	80	176
2015	-73	353
2016	-385	137
2017	358	291
2018	477	325
2019	442	79
2020	428	485
2021	710	576

Source: CMHC

Figure 3: Same-sample rent growth remained modest despite a lower vacancy rate

	2019	2020	2021
Bachelor	1.7	2.1	0.9
1-Bedroom	2.3	2.1	0.4
2-Bedroom	2.0	2.0	0.5
3-Bedroom +	4.1	0.6	2
Total	2.0	2.0	0.6

Source: CMHC

Regina

Figure 1: A declining unemployment rate among the 15-24 age group is supporting steady rental demand

	October 2020	October 2021
15-24 years of Age	13.5	10.6
25-44 years of Age	4.2	2.8
All Age Groups	6.2	5.9

Source: Statistics Canada. Table 14-10-0378-01 Labour force characteristics, three-month moving average, unadjusted for seasonality

Figure 2: Regina's apartment vacancy rate remains elevated despite moving lower in October 2021

Year	Apartment vacancy rate
2011	0.6
2012	1.0
2013	1.8
2014	3.0
2015	5.4
2016	5.5
2017	7.0
2018	7.7
2019	7.8
2020	7.5
2021	7.1

Source: CMHC

Winnipeg

Figure 1: Vacancy rates increase among most survey zones

Survey Zone	Oct-20	Oct-21
Fort Rouge	3.3	4.9
Centennial	7.5	7.8
Midland	5.6	7.9
Lord Selkirk	3.3	4.3
St. James	3.4	3.7
West Kildonan	1.8	6.4
East Kildonan	2.1	3.1
Transcona	7.6	4
St. Boniface	2.6	3.7
St. Vital	3.7	5
Fort Garry	4.3	4.8
Assiniboine Park	2.8	4.3
Outlying Areas	2.9	1
Winnipeg CMA	3.8	5

Sources: CMHC

Figure 2: Same-sample apartment rent increases

Year	Percentange change in apartment rent
2000	2.7
2001	2.9
2002	2.7
2003	4.4
2004	2.3
2005	3.1
2006	2.9
2007	4.4
2008	4.0
2009	3.9
2010	3.6
2011	4.6
2012	3.8
2013	4.7

Year	Percentange change in apartment rent
2014	3.7
2015	3.6
2016	2.1
2017	3.9
2018	4.0
2019	3.5
2020	3.0
2021	2.8

Source: CMHC

Figure 3: Smallest universe available for lowest income quintile earners

Quintile	Income	Proportion of universe available
Q1	< $25K	3%
Q2	$25K-42K	41%
Q3	$42K-59K	84%
Q4	$59K-81K	99%
Q5	$81K +	100%

Sources: CMHC, Statistics Canada Census 2016, CMHC calculations

Note: The rent ranges are calculated at the affordability threshold of 30% of monthly income for each quintile. Renter household income (non-subsidized, all household sizes) was derived from Census 2016 and expressed in 2021 dollars.

Hamilton

Figure 1: Hamilton CMA resale transactions that a renter in the 80th income percentile could have qualified to purchase (%)

Down payment	October 2020	October 2021
$25,000	7.0%	2.6%
$50,000	11.1%	3.3%
$75,000	13.9%	4.1%
$100,000	19.5%	6.3%

Sources: CMHC, Realtors Association of Hamilton-Burlington, Statistics Canada, Bank of Canada, and calculations by CMHC

Note: Qualification based on 30% mortgage payment to income ratio, benchmark mortgage rates of 4.79% in October 2020 and 5.25% in October 2021.

Figure 2: Number of permanent residents admitted to canada that intended to reside in Hamilton CMA

Date	Number of residents
October 2016–September 2017	3,330
October 2017–September 2018	3,705
October 2018–September 2019	4,350
October 2019–September 2020	2,850
October 2020–September 2021	5,070

Source: Immigration Refugees and Citizenship Canada

Greater Sudbury

Figure 1: Greater Sudbury CMA full-time employment

Date	Number of full-time employment
October 2016	70,400
October 2017	68,900
October 2018	72,400
October 2019	72,700
October 2020	66,500
October 2021	69,600

Source: Statistics Canada

Kitchener-Cambridge-Waterloo

Figure 1: Admissions of permanent residents recovered to above pre-pandemic levels

Month	Nov-19 to Oct-21	Nov-17 to Oct-19	Nov-15 to Oct-17
November	375	250	150
December	600	600	465
January	990	890	1,005
February	1,440	1,235	1,750
March	1,700	1,550	1,975
April	1,800	1,860	2,200
May	1,955	2,200	2,495
June	2,285	2,560	2,785
July	2,440	2,940	3,020

Month	Nov-19 to Oct-21	Nov-17 to Oct-19	Nov-15 to Oct-17
August	2,565	3,215	3,225
September	2,785	3,605	3,475
October	3,070	3,940	3,690
November	3,385	4,245	3,925
December	3,645	4,570	4,220
January	4,120	4,780	4,470
February	4,485	5,055	4,715
March	4,865	5,440	4,990
April	5,405	5,795	5,270
May	5,915	6,240	5,555
June	6,615	6,665	5,830
July	7,340	7,200	6,100
August	8,185	7,645	6,345
September	9,125	8,095	6,560
October	10,135	8,545	6,845

Source: Immigration, Refugees and Citizenship Canada. Canada - Admissions of Permanent Residents by Province/Territory and Census Metropolitan Area of Intended Destination, October 2021.

Figure 2: Few two-bedroom purpose built rental units affordable for lowest 40% of household incomes

Area	Q2: $625-1,049	Q3: $1,050-1,474	Q4: $1,475-2,174	Suppressed or statistically unreliable
Kitchener East	1,981	3,082	2,039	77
Kitchener Central	N/A	839	N/A	878
Kitchener West	843	1,242	1,426	53
Kitchener City	3,269	5,163	3,882	147
Waterloo	N/A	1,986	2,046	1,531
Cambridge	1,313	1,386	1,232	187
Three Townships	298	71	N/A	20
KCW CMA	5,805	8,606	7,171	949

Source: CMHC; Statistics Canada, Census 2016; CMHC calculations

From Table 3.1.8

Belleville

Figure 1: Belleville vacancy rate declined in 2021

Year	Vacancy Rate
2012	4.4%
2013	5.4%
2014	5.1%
2015	4.5%
2016	3.4%
2017	2.2%
2018	2.4%
2019	3.3%
2020	3.0%
2021	1.7%

Source: CMHC

Figure 2: Cumulative number of permanent resident admissions by year

Quintile	2017	2018	2019	2020	Q1-Q3, 2021
Q1	35	40	50	30	30
Q2	30	45	35	10	40
Q3	35	30	35	15	85
Q4	50	35	40	30	N/A

Source: IRCC, September 30, 2021

Figure 3: Rental apartment universe declined slightly in 2021

Year	Rental Universe, units
2010	5,706
2011	5,762
2012	5,768
2013	5,737
2014	5,716
2015	5,738
2016	5,745
2017	5,730
2018	5,717
2019	5,723
2020	5,855
2021	5,831

Source: CMHC

Figure 4: Average rents of vacant and occupied apartments, all bedroom types ($)

	Average rent	
Year	Vacant Units	Occupied Units
2017	981	968
2018	1,022	997
2019	1,157	1,065
2020	1,221	1,123
2021	1,410	1,150

Source: CMHC

Peterborough

Figure 1: Peterborough 2021 vacancy rate the lowest among Ontario CMAs

Region	Vacancy Rate
Toronto	4.6%
ONTARIO	3.4%
Hamilton	2.8%
Oshawa	2.2%
Kitchener-Cambridge-Waterloo	2.0%
Greater Sudbury	1.8%
Belleville	1.7%
Barrie	1.6%
Kingston	1.4%
Peterborough	1.0%

Source: CMHC

Figure 2: Cumulative number of permanent resident admissions by year

Quintile	2017	2018	2019	2020	Q1-Q3, 2021
Q1	90	70	70	50	65
Q2	65	65	75	20	115
Q3	65	75	110	35	230
Q4	60	60	60	35	N/A

Source: IRCC, September 30, 2021

Figure 3: Share of housing starts by tenure (%)

Year	Ownership	Rental	Condominium
2000	92%	0%	8%
2001	87%	0%	12%
2002	96%	4%	0%
2003	93%	2%	4%
2004	92%	4%	4%
2005	79%	16%	5%
2006	78%	14%	9%
2007	69%	0%	31%
2008	77%	12%	11%
2009	84%	11%	5%
2010	83%	1%	16%
2011	79%	5%	15%
2012	63%	20%	17%
2013	69%	23%	8%
2014	97%	0%	3%
2015	94%	3%	3%
2016	69%	17%	14%
2017	88%	3%	9%
2018	82%	4%	14%
2019	71%	10%	19%
2020	54%	33%	13%
Jan-Nov 2021	51%	49%	N/A

Source: CMHC

Figure 4: Average rents of vacant and occupied apartments, all bedroom types ($)

	Average rent	
Year	Vacant Units	Occupied Units
2017	987	943
2018	1,025	1,027
2019	1,106	1,052
2020	1,318	1,119
2021	1,479	1,208

Source: CMHC

Windsor

Figure 1: Windsor CMA employment rate

Period	15-24 age group	25-44 age group
October 2019	52%	80%
October 2020	41%	77%
October 2021	62%	79%

Source: Statistics Canada

St. Catharines-Niagara

Figure 1: Lower vacancy rate in larger structures

Structure	2020	2021
6-19 Units	3%	2%
20-49 Units	2%	2%
50-99 Units	3%	2%
100+ Units	1%	1%
Total	3%	2%

Source: CMHC

Figure 2: Larger gap (%) between rents of vacant and occupied units

	2020	2021
Bachelor	N/A	39.7%
1 Bedroom	10.3%	16.0%
2 Bedroom	11.0%	16.8%
3 Bedroom +	17.3%	36.9%

Source: CMHC

London

Figure 1: Private apartment vacancy rates by bedroom type and year

Bedroom Size	Oct-19	Oct-20	Oct-21
Bachelor	3.7	4.7	2.5
1 Bedroom	1.9	3.5	2.0
2 Bedroom	1.6	3.1	1.7
3 Bedroom +	1.4	4.9	3.0
Total	1.8	3.4	1.9

Source: CMHC

Figure 2: Share of universe within maximum affordable rent range of each income quintile

Quintile	Oct-20	Oct-21
Lowest Quintile	2.3%	2.0%
2nd Quintile	21.6%	20.1%
3rd Quintile	48.6%	47.1%
4th Quintile	21.5%	23.6%
Highest Quintile	4.5%	6.2%

Source: CMHC

Figure 3: Average rents for condo apartments and private apartments, October 2021

Type	1 Bedroom	2 Bedroom
Condominium Apartment	$1,248	$1,537
Private Apartment	$1,036	$1,275

Source: CMHC

Kingston

Figure 1: Kingston 2021 vacancy rate one of the lowest in Ontario

Region	Vacancy Rate
Toronto	4.6%
ONTARIO	3.4%
Hamilton	2.8%
Oshawa	2.2%
Kitchener-Cambridge-Waterloo	2.0%
Greater Sudbury	1.8%
Belleville	1.7%
Barrie	1.6%
Kingston	1.4%
Peterborough	1.0%

Source: CMHC

Figure 2: Cumulative number of permanent resident admissions by year

Quintile	2017	2018	2019	2020	Q1-Q3, 2021
Q1	105	150	120	115	120
Q2	110	120	160	75	200
Q3	125	140	200	60	275
Q4	135	165	110	110	N/A

Source: IRCC, September 30, 2021

Toronto

Figure 1: Annual change in the number of occupied purpose-built rental units (apartment and townhome) affordable* to each renter household income quintile in the Greater Toronto Area, 2021 v. 2020

Renter household income quintile	Annual change in the number of occupied purpose-built rental units (apartment and townhome) affordable* to each income quintile, 2021 v. 2020
Q1	**
Q2	-823
Q3	-2,988
Q4	204
Q5	1,880

Sources: CMHC; Statistics Canada Census 2016; CMHC calculations

*At 30% of monthly income for each income quintile.

**The data is suppressed.

Note: While each successive income quintile can afford a larger cumulative portion of the purpose-built rental universe, the calculations for this table were based on the discrete share of the universe associated with each quintile's income range (as reflected in Table 3.1.8).

Figure 2: Monthly rent and carrying cost of ownership

Year	Average Rent - Purpose-built	Average Rent - Condo	Carrying Cost - Average Condo	20% Down Payment - Average Condo (right axis)	Own vs Rent (Purpose-built) Gap
2012	$1,095	$1,520	$1,927	$67,370	$832
2013	$1,126	$1,664	$2,015	$68,814	$889
2014	$1,158	$1,706	$2,004	$72,320	$846
2015	$1,196	$1,749	$2,053	$75,881	$857
2016	$1,229	$1,883	$2,175	$83,196	$946
2017	$1,296	$2,078	$2,671	$102,464	$1,375
2018	$1,359	$2,221	$2,933	$110,428	$1,574
2019	$1,452	$2,305	$2,919	$117,590	$1,467
2020	$1,523	$2,319	$2,968	$125,865	$1,445
2021	$1,556	$2,292	$3,088	$135,162	$1,532

Sources: CMHC, CMHC Condominium Apartment Survey, TRREB. CMHC calculations

Note: Carrying cost includes mortgage payment (conventional with 25 year amortization and discounted 5-year rate) with a 20% down payment, average condominium fees and average property taxes.

Figure 3 : Over one-third of the Greater Toronto Area condominium apartments are rented out

Year	Percentage of units in rental - condominium apartments
2003	19.2%
2008	18.8%
2013	25.7%
2014	28.9%
2015	30.1%
2016	32.6%
2017	32.7%
2018	33.1%
2019	33.5%
2020	34.0%
2021	34.7%

Source: CMHC

Ottawa

Figure 1: Study permit holders who plan to study in Ontario

Year	Quarter	Study Permit Holders in Ontario
2015	Q1	21,615
	Q2	18,968
	Q3	29,762
	Q4	22,959
2016	Q1	31,606
	Q2	31,710
	Q3	30,909
	Q4	35,287
2017	Q1	32,528
	Q2	33,175
	Q3	44,223
	Q4	44,229
2018	Q1	44,599
	Q2	52,345
	Q3	42,569
	Q4	44,141
2019	Q1	50,898
	Q2	50,894
	Q3	53,029
	Q4	46,898
2020	Q1	36,869
	Q2	38,836
	Q3	29,857
	Q4	25,327
2021	Q1	57,144
	Q2	50,327
	Q3	59,575

Source: Immigration, Refugees and Citizenship Canada

Note: Seasonally adjusted quarterly data.

Figure 2: Estimates of net interprovincial migrants in Ontario

Year	Net interprovincial migrants to Ontario (In-migrants minus out-migrants)
2003	19.2%
2008	18.8%
2013	25.7%
2014	28.9%
2015	30.1%
2016	32.6%
2017	32.7%
2018	33.1%
2019	33.5%
2020	34.0%
2021	34.7%

Source: Statistics Canada, Quarterly Demographic Estimates

Note: Period from July 1 to June 30.

Gatineau

Figure 1: Estimates of interprovincial migrants from Ontario to Québec

Years	Estimates of migrants from Ontario to Québec
1993 / 1994	15,826
1994 / 1995	15,036
1995 / 1996	14,666
1996 / 1997	12,986
1997 / 1998	12,749
1998 / 1999	11,788
1999 / 2000	12,561
2000 / 2001	13,113
2001 / 2002	15,681
2002 / 2003	15,495
2003 / 2004	15,842

Years	Estimates of migrants from Ontario to Québec
2004 / 2005	15,026
2005 / 2006	12,868
2006 / 2007	12,476
2007 / 2008	12,178
2008 / 2009	11,947
2009 / 2010	12,523
2010 / 2011	11,785
2011 / 2012	12,149
2012 / 2013	10,536
2013 / 2014	10,260
2014 / 2015	9,909
2015 / 2016	10,862
2016 / 2017	10,884
2017 / 2018	11,726
2018 / 2019	12,423
2019 / 2020	14,894
2020 / 2021	16,469

Source: Statistics Canada, Quarterly Demographic Estimates

Note: Period from July 1 to June 30.

Figure 2: Employment by age group, January 2020 = 100

Date	15-24 years old	25-44 years old	45 years old and over
Jan-20	100	100	100
Feb-20	106	97	101
Mar-20	101	95	102
Apr-20	93	91	98
May-20	86	89	91
Jun-20	80	94	87
Jul-20	78	98	91
Aug-20	77	101	91
Sep-20	77	103	89
Oct-20	77	105	88
Nov-20	77	107	86
Dec-20	77	107	87
Jan-21	78	105	88
Feb-21	79	105	89
Mar-21	79	106	91
Apr-21	81	108	91
May-21	83	109	90
Jun-21	86	109	91
Jul-21	91	106	96
Aug-21	99	104	98
Sep-21	95	103	99
Oct-21	91	103	99

Source: Statistics Canada, Labour Force Survey. Adapted by CMHC

Note: Seasonally adjusted, 3-months moving average.

Québec

Figure 1: Estimate change (%) in average rent, apartments

Year	Estimate of Percentage Change (%) of Average Rent
2007	2.6
2008	1.7
2009	3.7
2010	2.3
2011	3.0
2012	1.9
2013	1.6
2014	1.9
2015	1.4
2016	1.2
2017	1.3
2018	1.2
2019	1.9
2020	2.7
2021	2.3

Source: CMHC

Montréal

Figure 1: Estimated change (%) in average rent

Year	Change
1988	N/A
1989	N/A
1990	N/A
1991	N/A
1992	N/A
1993	N/A
1994	N/A
1995	1.2
1996	1.3
1997	0.6
1998	0.7
1999	2.0
2000	2.6
2001	4.5
2002	5.3
2003	4.7
2004	3.4
2005	2.7
2006	2.9
2007	2.3
2008	2.1
2009	2.7
2010	3.4
2011	2.6
2012	0.8
2013	1.7
2014	2.2
2015	1.8
2016	1.7
2017	2.2
2018	2.5
2019	3.6
2020	4.2
2021	3.7

Source: CMHC

Halifax

Figure 1: Vacancy rate and rental apartment completions

Year	Completions*	Vacancy Rate (right-axis)
2012	838	3.0
2013	1,031	3.2
2014	1,438	3.8
2015	1,267	3.4
2016	757	2.6
2017	1,537	2.3
2018	1,689	1.6
2019	1,206	1.0
2020	1,442	1.9
2021	1,600	1.0

Source: CMHC

*Figures are for rental units completed between the rental market surveys, which includes the period from July of the year preceding a given survey to June of the following year.