HOUSING MARKET INFORMATION

Rental Market Report

January 2023 Edition

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Canada

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THE RENTAL MARKET REPORT

provides in-depth analysis for major centres across Canada. This report is released annually and uses data from CMHC's Rental Market Survey and Condominium Apartment Survey. This analysis provides insights on trends and conditions in Canada's primary and select secondary rental markets. This includes reviews of rents and vacancy rates relative to supply and demand and highlights rental affordability challenges across markets. You can use the menu on page 3 to navigate to the latest Rental Market Report in the centre of your choice.

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

"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

Our Chief 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.

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
1.9%	$1,258
	UP by 5.6%

CONDOMINIUM APARTMENT MARKET

Vacancy Rate	Average Two-Bedroom Rent
1.6%	$1,930

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

"National rental market conditions tightened in 2022 due to rental demand surging in many markets."

Gustavo Durango
Senior Economist

MARKET INSIGHTS

HIGHLIGHTS

Growth in demand outpaced strong growth in supply, pushing the vacancy rate for purpose-built rental apartments down from 3.1% to 1.9%. This was the vacancy rate's lowest level since 2001. Rent growth, for its part, reached a new high.

Rental demand surged across the country. This was a reflection of higher net migration and the return of students to on-campus learning. Another factor was higher mortgage rates, which drove up already-elevated costs of homeownership.

Despite higher overall supply, the share of rental units that are affordable for the lowest-income renters is, in most markets, in the low single digits or too low to report. This is especially true in Ontario and British Columbia (B.C.).

New data: Average rent growth for 2-bedroom units that turned over to a new tenant was well above average rent growth for units without turnover (18.2% vs. 2.8%). This increased affordability challenges.

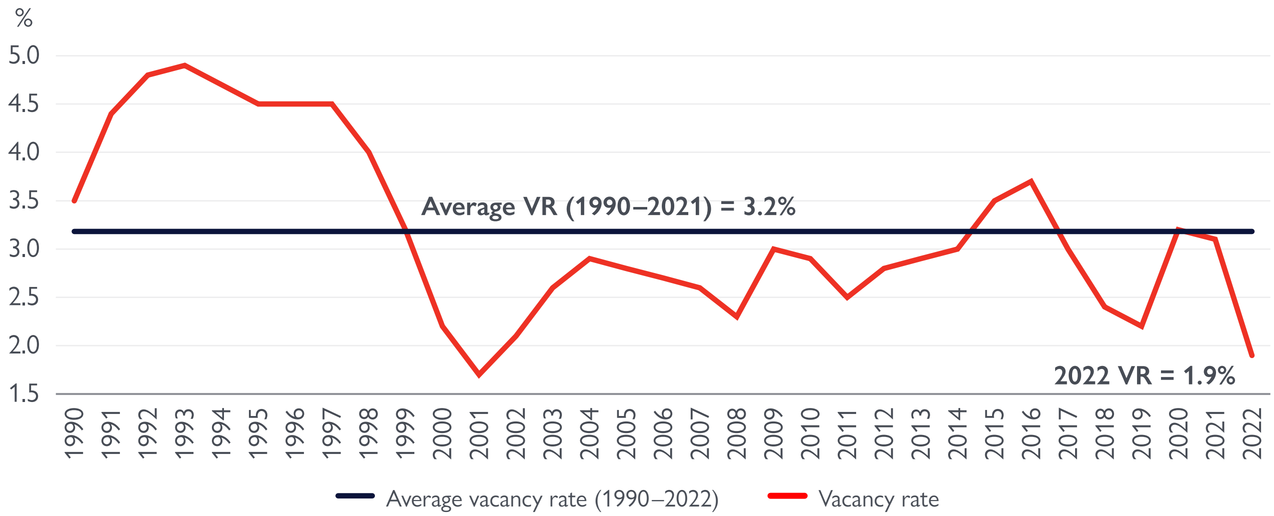
Rental demand surged in 2022, leaving the vacancy rate at a near-historic low

Rental supply increased sharply between October 2021 and October 2022. This increase was measured by growth in the rental market universe, which went up by about 55,000 purpose-built rental apartments (+2.6%). This was the strongest rate of increase since 2013, reflecting elevated supply growth in some large markets. A notable example was the record-high increase in Vancouver.

That said, rental demand was stronger. The number of occupied units increased by about 79,000 units (+3.8%). This increase drove the national vacancy rate down to 1.9%, ending a 2-year streak of stability at historically average levels (figure 1).

The decline in the national vacancy rate reflected widespread tightening across Canada's rental markets. Only 5 of the 37 census metropolitan areas (CMAs) surveyed reported significantly higher vacancy rates in 2022 than in 2021. Declining rates in Canada's 3 largest rental markets of Montréal, Vancouver and Toronto reflected the national result. Toronto reported a particularly sharp decline (Canada table 1.0).

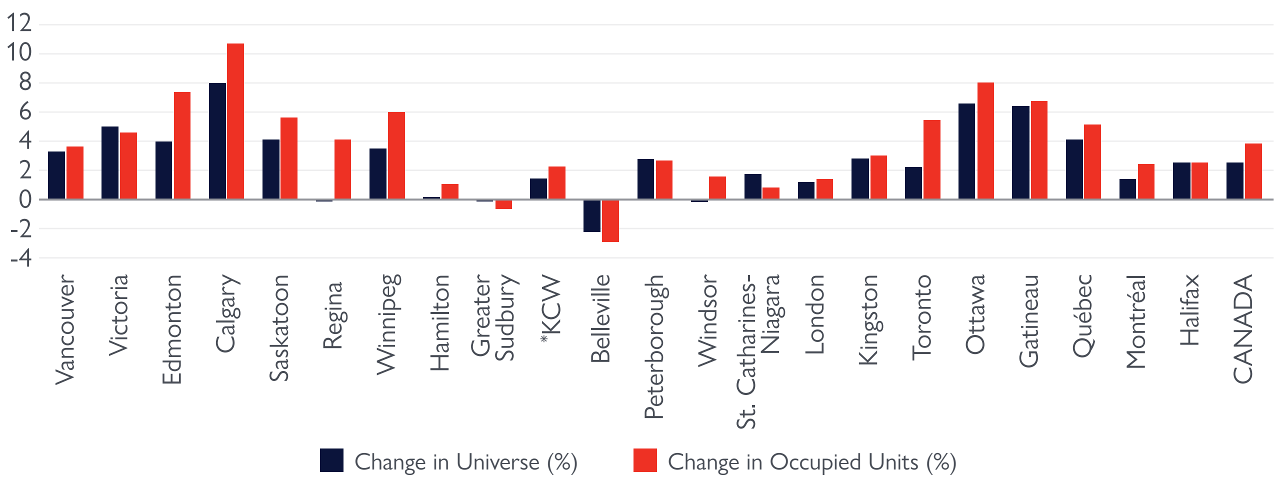
Figure 1 In 2022, Canada's purpose-built rental apartment vacancy rate fell to its lowest level since 2001



Source: CMHC
Canada total includes all centres of 10,000+ population.

The divergence between vacancy rates among Canada's 3 largest markets reflects differences in their gaps between demand growth and supply growth. As figure 2 shows, Toronto posted the largest gap between the growth of demand (measured as the growth in occupied rental units) and the growth of supply (the increase in Toronto's rental universe). This gap helped drive the large vacancy rate decline in Toronto.

Figure 2 Strong growth in supply was outpaced by stronger growth in demand in most centres, for purpose-built rental apartments in 2022



Source: CMHC
Canada total includes all centres of 10,000+ population.
*Kitchener-Cambridge-Waterloo.

Higher net migration and costs of homeownership are among the drivers of higher rental demand

Strong growth in rental demand across the country reflected:

- significantly higher net migration, as flows continued to benefit from relaxed COVID-related travel restrictions. (New immigrants have a high tendency to rent);
- stable employment conditions for those aged 15–24, supporting demand from young households, which also have a higher tendency to rent; and
- a higher overall propensity to rent (caused by mortgage rate increases and relatively high prices, which increased the costs of transitioning to homeownership).

These drivers were widespread geographically. However, every rental market is different, and the impacts of these drivers will vary among them. In the Prairies, for example, rental demand has also benefitted from:

- higher interprovincial migration; and
- stronger employment stemming from higher commodity prices.

Ontario, B.C. and Québec saw the highest flows of new immigrants. This flow placed additional demand pressures on their local markets. The return of students to on-campus learning was also particularly important in centres with large higher-learning sectors. These and other nuances impacting local markets are explained in greater detail in the market reports.

Higher mortgage rates and elevated price levels have made homeownership more expensive in 2022. These increased costs supported rental demand by making it harder and less attractive for renters to transition to homeownership.

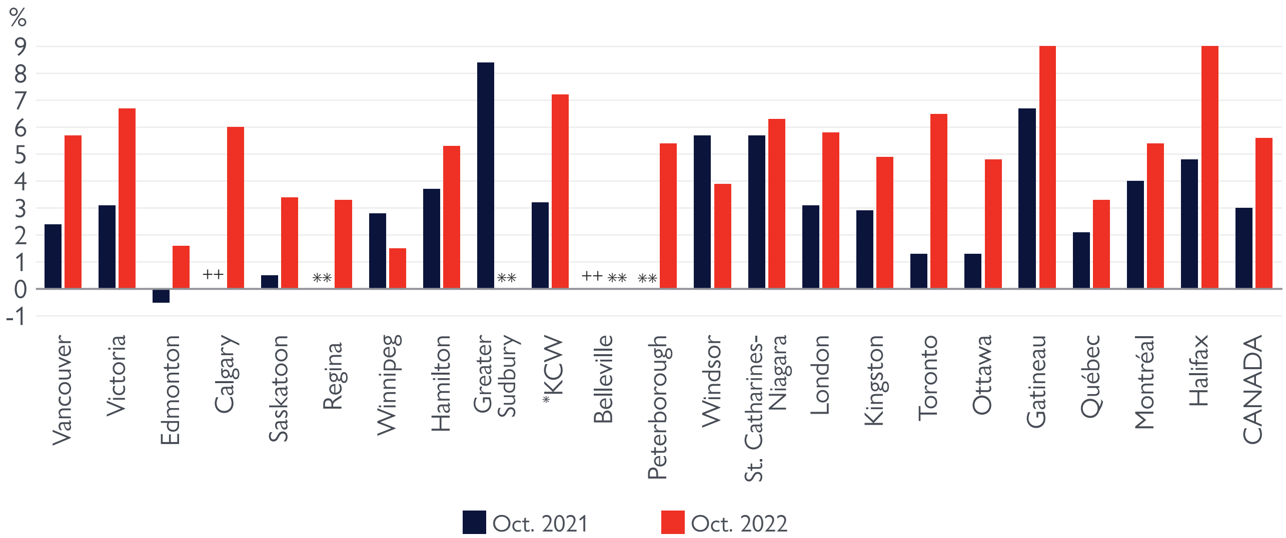
The decline in turnover rates observed since the previous survey is consistent with increased difficulty in transitioning to homeownership. The national turnover rate fell from 15.5% in 2021 to 13.6% in 2022 (Canada table 1.0). A lower turnover rate indicates a reduced willingness of households to vacate a rental unit. This contributes to lower overall vacancy rates and tighter rental markets.

Rent growth reached a new high due to tighter rental markets

Growth in the average rent for 2-bedroom purpose-built apartments common to 2 consecutive surveys is known as “same-sample rent growth.” For apartments common to the October 2021 and October 2022 surveys, same-sample rent growth accelerated sharply. It rose to 5.6% from 3% over the previous 12-month period. This is a new annual high, well above the 1990-to-2022 average of 2.8%.

Higher rent-growth was widespread geographically, with particularly large jumps observed in Vancouver and Toronto (figure 3). This reflects higher flows of immigrants to these centres, among other factors discussed in the market reports. Result: the average rents for 2-bedroom purpose-built apartments in Vancouver ($2,002) and Toronto ($1,779) continue to be the highest in the country. They’re well above the national average of $1,258 (Canada table 1.0).

Figure 3 Rent growth surged across the country for 2-bedroom purpose-built apartments, including Vancouver and Toronto



Source: CMHC
Canada total includes all centres of 10,000+ population.
*Kitchener-Cambridge-Waterloo.
** — Data Suppressed;
++ — Change in rent is not statistically significant. This means that the change in rent is not statistically different than zero.

New renters and low-income renters face even tighter market conditions

Average rent growth for purpose-built, 2-bedroom units that turned over to a new tenant was 18.3%, well above the 2.9% rent growth for units without turnover (Canada table 6.0). This reflects the fact that, once a tenant vacates a unit, landlords are generally free to increase asking rents to current market levels. Landlords can also take the opportunity to renovate between tenants. In doing so, they raise unit quality and can then ask for higher rents from new tenants.

Among the 3 largest markets, Toronto reported the widest gap between rent growth for units that turned over and rent growth for units without turnover. Vancouver followed, and Montréal had the narrowest gap of the 3:

- Toronto (29.1% rent growth for turnover units vs. 2.3% for non-turnover units)
- Vancouver (23.9% vs. 3.9%)
- Montréal (14.5% vs. 3.5%)

Lower-income renters also tend to face greater affordability challenges than do higher-income renters. The reason: very low stocks of rental units that are affordable for people in lower income ranges. An affordable dwelling is one where the renter household is spending no more than 30% of its gross income on rent. Using that benchmark, we calculate the share of the rental universe that would be affordable at different income levels. Figure 4 shows the results of this calculation for renters whose incomes are in the bottom 20% of all renters in a given rental market.

For the bottom 20% of income earners in most rental markets, the share of rental units that are affordable is much less than 20%. In many centres, this affordable share is too small to meet statistical reporting standards. Markets in Québec are a major exception to this trend, followed (distantly) by markets in the Prairies.

Overall affordability conditions were also stressed by inflation. The 12-month change in the all-items Consumer Price Index stood at 6.9% in October 2022. This growth outpaced growth in the average hourly wage (5.6%) over the same period.[1] The resulting pressure on real household wages would likely have increased the housing affordability challenges faced by renters.

[1] Source: Statistics Canada. Table 18-10-0004-01 (Consumer Price Index) and Table 14-10-0320-02 (Average Usual Hours and Wages).

Table 1 Affordable units for low-income renters are extremely rare outside of Québec

Selected CMAs	Share of units affordable to renters with the lowest 20% of incomes
Québec	25%
Montréal	23%
Edmonton	13%
Gatineau	8%
Regina	8%
Saskatoon	7%
Calgary	5%
Winnipeg	4%
London	3%
Halifax	3%
Victoria	1%
Vancouver	1%
Belleville	**
Toronto	**
Kingston	**
Peterborough	**
Kitchener-Cambridge-Waterloo	**
Hamilton	**
Sudbury	**
Ottawa	**
St Catharines	**
Windsor	**

Source: CMHC

From table 3.1.8 of each CMA's section of the report.

**Data suppressed because the universe is too small and/or to preserve data reliability. See the Appendix for more information.

Rental condominium apartment markets remained tight despite higher supply

Rented condominium units play a significant role in the supply of rental housing. That's why we also survey condominium apartments offered for rent on the secondary rental market in 17 centres.

In 2022, rental condominiums accounted for 19.3% of the total stock of rental units across these centres. (The total stock of rental units is the sum of the purpose-built rental apartment universe and the rental condominium apartment universe.) This share was up from 18.6% in 2021, reflecting growth in the condominium rental universe of 7.2% in 2022 (Canada Table 4.2).

In some of Canada's largest centres, the share of the rental stock accounted for by condominiums remained well above the national average in 2022. Vancouver was the leader (with 42.5% of its rental stock made up of condominiums), followed by Calgary (37.5%) and Toronto (34%). Centres in Québec generally reported smaller shares, including Montréal at 6.7%.

The average vacancy rate for rental condominiums remained low, at 1.6%. In a strict statistical sense, this is essentially unchanged from 2021. The average rent for a 2-bedroom rental condominium increased significantly from $1,771 to $1,930. Markets remained tight despite growth in supply. The tightness of both the rental condominium and purpose-built rental markets therefore had a common driver: the outpacing of strong supply growth by even stronger demand growth.

These results reinforce the urgent need to accelerate housing supply and address supply gaps to improve housing affordability for Canadians. We encourage you to refer to our *Housing Shortages in Canada: Solving the Affordability Crisis*[2] report. There, you can find estimates of the size of these gaps and detailed analysis of their causes and consequences.

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.

[2] https://www.cmhc-schl.gc.ca/en/professionals/housing-markets-data-and-research/housing-research/research-reports/accelerate-supply/housing-shortages-canada-solving-affordability-crisis

Vancouver

PURPOSE BUILT RENTAL MARKET

Vacancy Rate	Average Two-Bedroom Rent
0.9%	$2,002
	UP by 5.7%

CONDOMINIUM APARTMENT MARKET

Vacancy Rate	Average Two-Bedroom Rent
2.2%	$2,504

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

See Canada Overview.

"Strong demand for limited rental units means low vacancy rates, rising rents and growing inequality between long-term leaseholders and newcomers."

Eric Bond
Senior Specialist

MARKET INSIGHTS

HIGHLIGHTS

The purpose-built rental apartment vacancy rate decreased from 1.2% in 2021 to 0.9% in 2022. Higher homeownership costs and migration to the region led rental demand to increase faster than supply.

Asking rents for vacant units are now, on average, 43% higher than those paid for occupied units. This represents a strong disincentive to moving for existing tenants, resulting in lower turnover.

The tightening conditions caused rent growth to accelerate to 6.3% overall. New renters paid, on average, 24% more than the previous tenant for 2-bedroom units rented in 2022.

Important imbalances exist in the Vancouver rental market. Our data show that lower-income households face significant challenges finding units that they can afford.

The purpose-built rental universe increased by a record 3,805 units (+3.3%) following elevated construction of new units in recent years.

The number of condominium apartments offered as long-term rentals increased by 7,850 units (+9.8%). The increase in supply contributed to the rental condominium segment having a higher vacancy rate (2.2%) than the purpose-built rental segment (0.9%).

Vacancy rates fall below 1% due to higher demand

The rental market tightened in the Vancouver census metropolitan area (CMA) in 2022. Following a surge in international migration and homeownership costs, the overall vacancy rate for purpose-built apartments fell to 0.9% (table 1.1.1).

As part of this broad increase in demand, vacancy rates decreased across market segments and regions. The only exceptions were select submarkets where significant new supply was added, such as:

- District of North Vancouver (3%)
- Kerrisdale neighbourhood in the City of Vancouver (2.5%)

Many of the new units in these areas have high rents. The higher vacancy rates suggest there’s likely price sensitivity among renters.

The tightening rental market in the Vancouver CMA is in line with other large centres in Canada. In the Toronto CMA, vacancy rates also fell due to increased migration and homeownership costs.

Increase in migration and homeownership costs drives rental demand

Migration to the Vancouver CMA from both international and domestic origins contributed to growth in rental demand. Arrivals of international immigrants to British Columbia doubled in the first half of 2022. Most of these immigrants settled in Metro Vancouver. The reopening of international borders also contributed to an increase in arrivals of non-permanent residents. This group includes international students, many of whom rent.

Increases in mortgage interest rates limited the ability of existing renter households to move to homeownership. The borrowing capacity of a worker aged 25 to 54 earning the average wage in the Vancouver CMA fell by nearly a quarter, or about $100,000, in 2022. Entry-level home prices haven’t declined as fast as buying power, meaning many prospective homebuyers continue to rent.

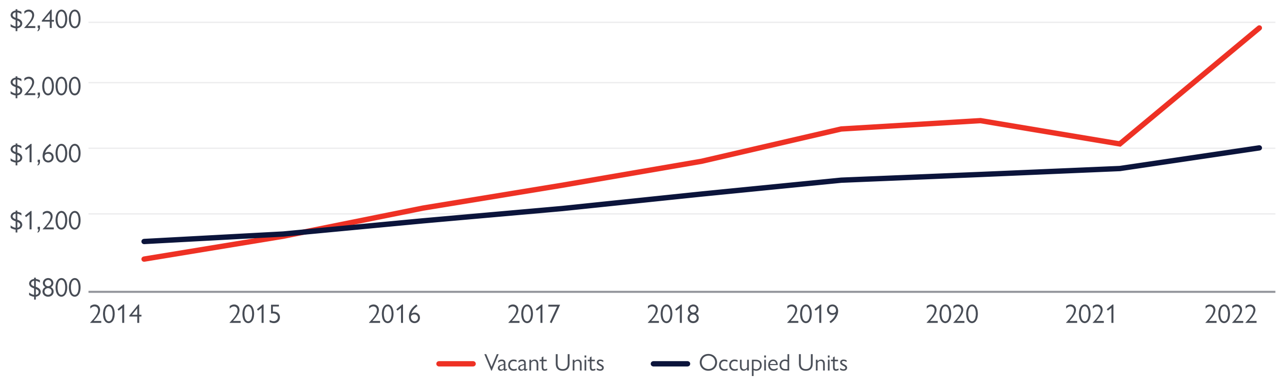
Spread between market rents for vacant units and those paid for occupied units widens

The average asking rent for vacant units was 43% higher than the overall average rent for occupied units in the Vancouver CMA (table 1.1.9). This was significantly higher than the 10% gap observed in 2021, as the average asking rent for vacant units soared in 2022 (figure 1). While some new units with high rents are currently vacant, an influx of such units wasn't the main contributor to higher asking rents.

For existing tenants paying rents below market value, higher market rents are a significant disincentive to moving. After several years at an already low level, the turnover rate fell further to 10.7% in 2022.

Fewer units coming to market creates a more challenging environment for new renters. The market can't accommodate as many moves as before, leading to higher rents for those units that do come to market.

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



Source: CMHC

Rent growth accelerates with turnover of units to new tenants

The change in rent for the same apartment between two consecutive surveys, the same-sample rent change, is an important rental market indicator. Average same-sample rents surged 6.3% in 2022, well ahead of the 2.1% increase in 2021. Mirroring the increase in rental demand, the increase in rents was broad-based across apartment types (number of bedrooms) and geographic areas.

New leases are formed under current market conditions. Due to rent control, existing leases reflect market conditions in the past. This results in a gap between the overall average rent paid and current market rents. Our new data on the rent increase at turnover is one way to observe this gap.

Two-bedroom units that turned over were re-leased at a rent that was 23.9% higher, on average. In contrast, rents increased 3.9%, on average, for 2-bedroom units that didn't change tenant between 2021 and 2022 (Canada table 6.0).

Under tenant-based rent guidelines imposed in B.C., the allowable rent increase for existing tenants was 0% in 2021 and 1.5% in 2022. The rent increase for units that didn't turn over can vary from the allowable amount. This is because of supplemental increases that are allowed for capital improvements to the structure. When a unit turns over to a new tenant, the landlord is free to set a new rent amount at the market level.

Record increase in the supply of purpose-built rental units

Despite the observed decline in the vacancy rate, the universe of purpose-built rental apartments increased by 3,805 units (+3.3%). This represents the highest annual increase among available records since 1990. Four submarkets combined to account for 87% of the increase:

- City of Vancouver: 1,359 units (+2.3% universe growth rate)
- Tri-Cities: 843 units (+17.9%)
- City of North Vancouver: 666 units (+10.8%)
- District of North Vancouver: 446 units (+26.2%)

The increase results from the elevated number of new rental units started over the past few years now coming to market. Rental starts surged 43% year-over-year over the first 3 quarters of 2022, meaning completions of new rental supply will be significant in the years ahead. However, increases in financing costs will likely slow additional rental starts in 2023.

Newly completed units have rents similar to current asking rents for vacant units

Units in new structures completed in the past 3 years had higher vacancy rates than units in structures of all ages (table 3.1.7). Interestingly, average rents for new 2-bedroom units ($2,823) were nearly identical to the asking rent ($2,865) for vacant 2-bedroom units of all ages. Rental demand is such that owners of existing units can, in some cases, seek rents that are equal to those for new units.

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

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

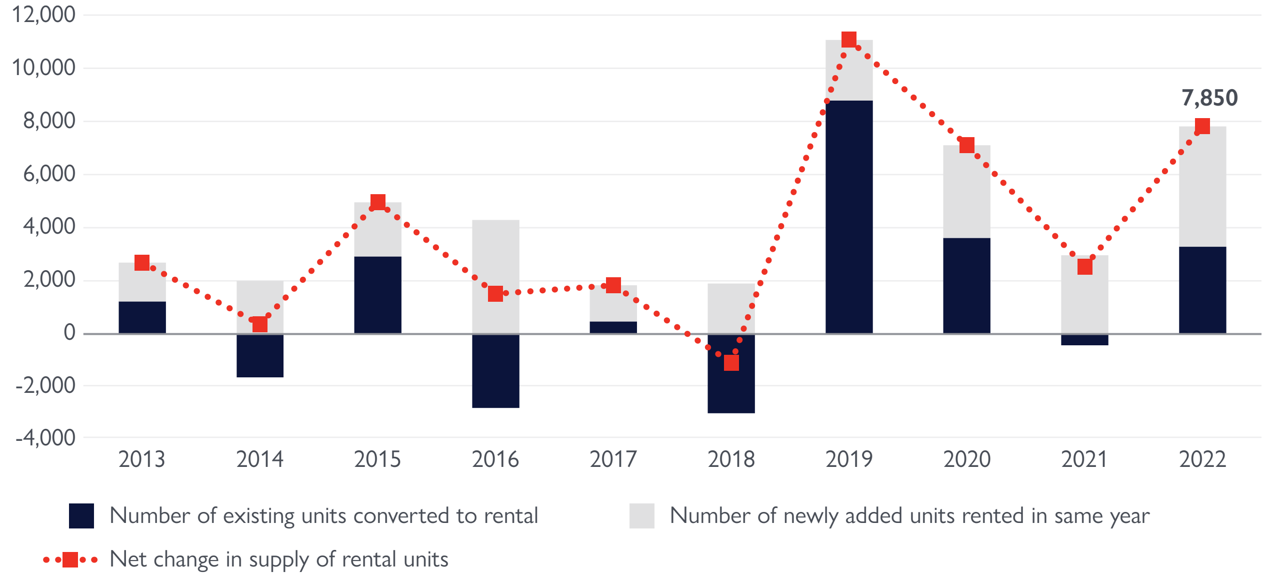
- Less than 1/3 of market purpose-built rental units are affordable to households earning less than $55,000 per year.
- Only 1 in 200 units are affordable to renter households with the lowest 20% of incomes.
- Most of the lowest-priced units are small and would not be suitable for families.

Growth in the number of rental condominium apartments leads to higher vacancies

The condominium apartment segment is an important source of rental supply for the region. The number of condominiums offered as long-term rentals increased by 7,850 units (+9.8%) in 2022. This growth included both newly constructed and existing units entering the rental market (figure 2). Overall, the proportion of condominiums being rented long-term rose to 30.5%.

With the increased supply of rental units, the condominium apartment vacancy rate rose to 2.2%. This contrasts with the purpose-built rental sector, where the apartment vacancy rate fell to 0.9%. Condominium rents are similar to those for new purpose-built rental units, which also have higher vacancies (2.7%) than the overall market. Renters seem to be willing to pay about the same for these 2 types of units, contributing to their similar market outcomes.

Figure 2 Components of change in supply of rental condominium apartments, Vancouver CMA



Source: CMHC

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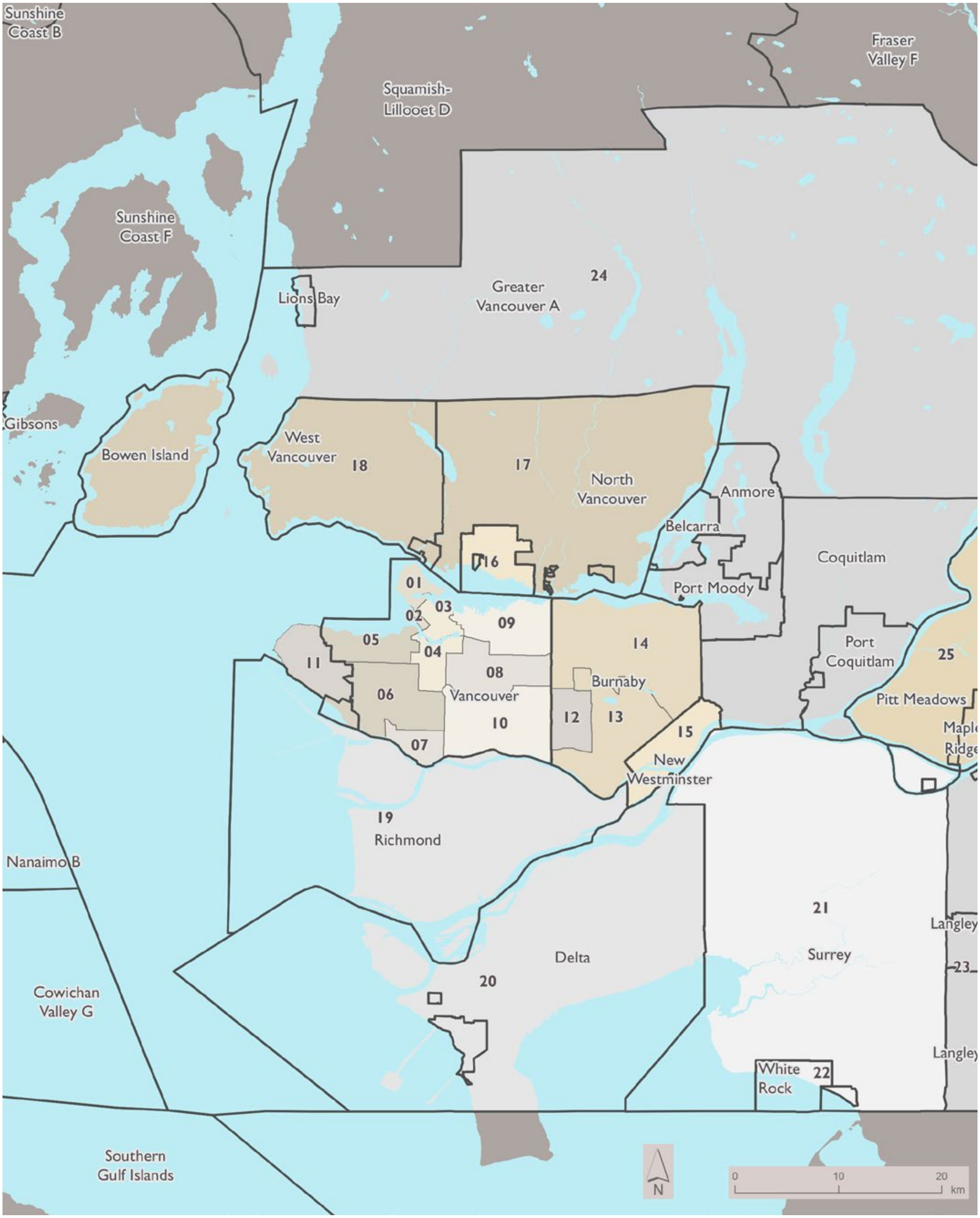

Sunshine Coast B
Squamish-Lillooet D
Fraser Valley F
Sunshine Coast F
Greater Vancouver A
24
Lions Bay
Gibsons
Bowen Island
West Vancouver
18
17
North Vancouver
Anmore
Belcarra
16
Coquitlam
Port Moody
01
02
03
09
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Burnaby
Port Coquitlam
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Vancouver
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Pitt Meadows
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New Westminster
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Richmond
Nanaimo B
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Langley
Surrey
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Delta
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Cowichan Valley G
White Rock
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Southern Gulf Islands
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km

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
1.5%	$1,699
	UP by 6.7%

CONDOMINIUM APARTMENT MARKET

Vacancy Rate	Average Two-Bedroom Rent
0.2%	$2,321

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

See Canada Overview.

"Record-high supply growth helped alleviate rental market tightness, while rising demand accelerated rent increases."

Pershing Sun
Senior Analyst, Economics

MARKET INSIGHTS

HIGHLIGHTS

The vacancy rate rose slightly thanks to expansion of the rental apartment stock, although the rental townhouse stock continued to shrink.

Rent growth of purpose-built rental apartments peaked at 7.7%, driven by high turnover, especially for newer units.

Strong rent growth exacerbated the shortages of affordable units, particularly for low-income households in need of larger units.

Record-high immigration and a stable job market brought rental demand back to the city center.

Rental market conditions loosened slightly

In 2022, the rental market in the Victoria census metropolitan area (CMA) loosened slightly in both the purpose-built rental and condominium rental segments. However, at 1.5%, the vacancy rate of purpose-built rental units remained one of the lowest in Canada, albeit a slight improvement from 1% in 2021. The condominium rental vacancy rate increased from 0% to 0.2%. This was attributable to expansions of the stock in both segments, which slightly relieved the tight rental market conditions.

Many parts of the CMA saw various degrees of higher vacancies. Contrary to 2021, the vacancy rate in the City of Victoria (1.2%), was lower than in the outskirts (1.6%). As workplaces began to adopt hybrid work schedules, demand returned to the urban area.

The Westshore area saw the largest jump in the purpose-built rental apartment vacancy rate, from 0.4% in 2021 to 1.5% in 2022. With most of the CMA's rental construction concentrated in the area, the average rent of purpose-built rental apartments in Westshore remained the highest in the CMA. This appeared to have tamed demand. Renters likely traded newer amenities for affordability, as the cost of living rose significantly in 2022.

Rent growth accelerated

Record-breaking rent growth occurred in the Victoria CMA in 2022. The average rent for purpose-built rental apartments increased by 7.7% in 2022, the fastest growth since 1991. This was driven by strong rent increases in units that were turned over to new tenants.[1] As an example, a turnover 2-bedroom apartment was rented at a 33% higher rent, on average, than an occupied unit in the same building. Structures built after 2005, which are generally more expensive, had turnover rates twice as high as those for older apartments. As a result, high turnover among newer units led to significant rent increases for these units, which ultimately contributed to the overall rent growth.

As a result, renters were less likely to move, as evidenced by the lower turnover rate overall, unless moving out of the CMA. In fact, areas north of the CMA, such as Duncan and Parksville, saw lower vacancy rates in 2022. These more affordable rental markets may have absorbed some demand from Greater Victoria.

Uneven growth in rental supply between apartments and townhouses

A much-needed increase in apartment supply occurred in the Victoria CMA, with 1,411 units added to the purpose-built rental apartment stock, and 229 units added to the condominium apartment stock. Both sectors grew by more than twice what they did in 2021.

[1] Rent increases for existing tenants in B.C. are capped at 1.5% for 2022 by the provincial legislature.

Unlike in 2021, there were significantly fewer purpose-built rental apartments removed from the stock as a result of demolitions, conversions or renovations. Many units taken down for renovation returned to the market in 2022. This, along with newly completed rental constructions, helped the growth in rental stock seen in 2020 resume (figure 1). Priced at a higher rent level than before, these newly added units also contributed to the rapid rent growth.

Conversely, the Victoria CMA lost 83 (12%) purpose-built rental townhouses in 2022. Most of the losses were in Saanich/Central Saanich, which provides about half of the CMA's rental townhouses. This resulted in the vacancy rate of 3-bedroom townhouses dropping from 6.2% to 3.5% in the area, one of the very few rental segments that tightened.

High immigration and stable job growth drove demand

BC's population grew at a record pace in 2022. As borders reopened, immigration recovered as the main driver of population growth in B.C. In Q2 2022, B.C.'s population grew by 45,515,[2] the highest quarterly increase since the 1970s. Newcomers will likely continue to drive rental demand, since the federal government's immigration targets are set progressively higher each year until 2025.

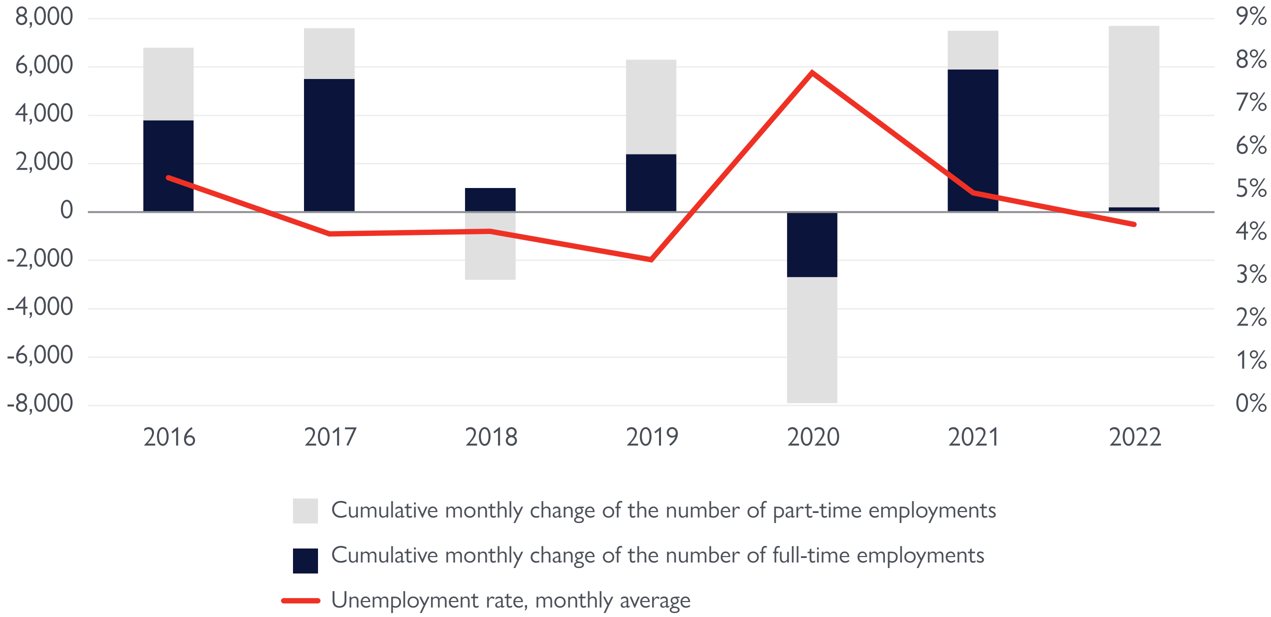
Figure 1 **Despite slow-down in rental construction, rental stock expanded thanks to fewer renovations, demolitions and conversions**

Source: CMHC

[2] Statistics Canada. Table 17-10-0009-01

Victoria's job market improved in 2022, with 6,200 jobs added between January and October. Unlike in 2021, most of the new jobs were part-time positions (figure 2). Part-time workers disproportionately rent, which likely contributed to greater rental demand. The job vacancy rate (percentage of unfilled positions) reached a record high in Q2 in Greater Victoria, exceeding lower mainland and B.C.'s overall rate.[3] If the labour shortage continues, wages may rise (Victoria's average wage offered has been declining since Q2 2021). Higher wages may boost rental demand. However, rental affordability will likely remain a challenge, especially as rent growth outpaces income growth for many in the CMA.

Figure 2 Part-time employment gains drove the job market in 2022



Source: Statistics Canada
Note: The 2022 data includes the period between January 2022 and November 2022.

Higher demand for affordable rentals

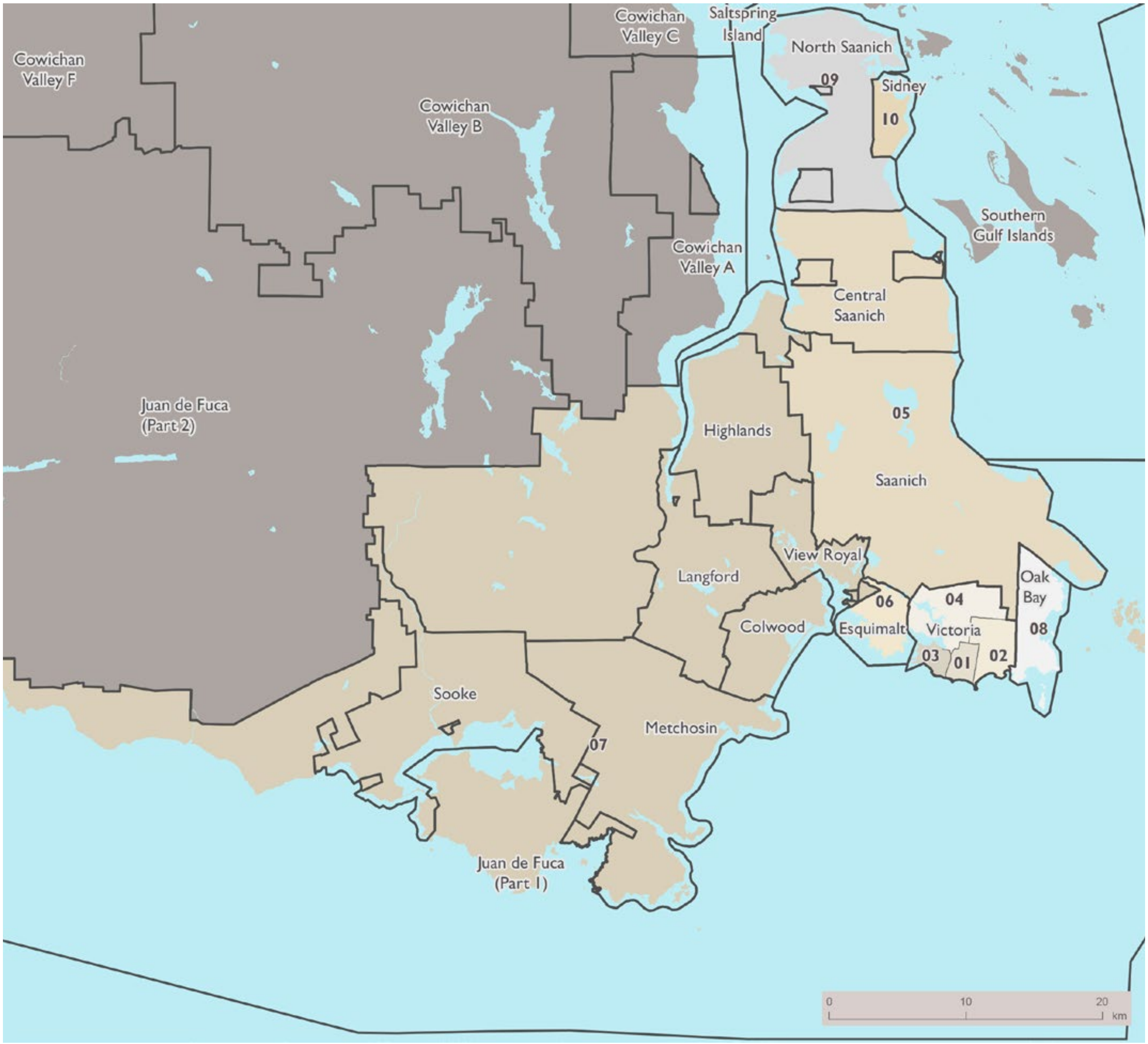
Vacancy rates of units that are considered affordable to many households remained below 1%:

- For households earning less than $49,000 per year, affordable units had a vacancy rate of 0.4%.
- 3-bedroom units affordable to those earning less than $75,000 per year was 0.8%.
- Only a third of the purpose-built rental units were affordable for households earning less than $49,000 per year.

In a market with record-high rent increases, these results highlighted the challenge for low-income households, especially larger households that require more than 1 bedroom. The supply of affordable and suitable rental options is still not meeting demand in the Victoria 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.

[3] Statistics Canada. Table 14-10-0325-01



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	Average Two-Bedroom Rent
4.3%	$1,304
	UP by 1.6%

CONDOMINIUM APARTMENT MARKET

Vacancy Rate	Average Two-Bedroom Rent
4.1%	$1,426

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 strong economic rebound and record migration flows contributed to rental demand outpacing new additions to supply in 2022"

Taylor Pardy
Senior Specialist

MARKET INSIGHTS

HIGHLIGHTS

With improved labour market conditions, record net international migration and net interprovincial migration at a 10-year high, rental demand outpaced increases in supply.

The vacancy rate for purpose-built rental apartments was 4.3% in October 2022, down from 7.3% in October 2021.

Edmonton has continued to see strong growth in the purpose-built rental universe. The universe is growing at a pace higher than any previous decade, based on data going back to 1990.

Same-sample apartment rents increased modestly in 2022. Lower vacancies, particularly in some sub-areas of the CMA, placed upward pressure on rent levels.

The cost of ownership for first-time homebuyers increased due to rising mortgage rates. This increase likely contributed to additional rental demand.

Economic rebound and record migration flows driving rental demand

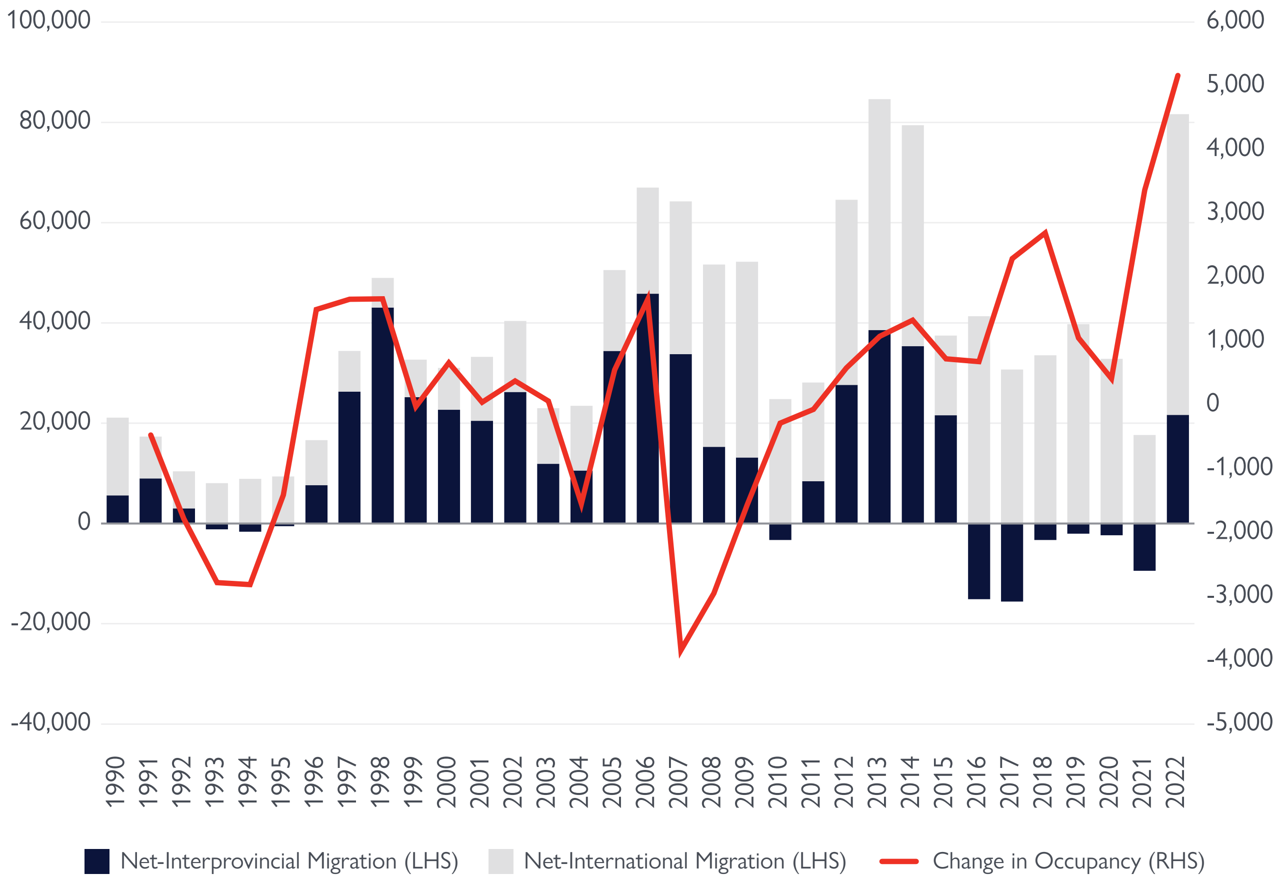
A strong post-pandemic recovery and high commodity prices continue to drive a sharp economic rebound in Alberta. This rebound, in turn, has benefitted the Edmonton CMA. Total employment in the Edmonton CMA improved in October 2022 compared to 1 year earlier, increasing 3%. Total employment was 5% above pre-pandemic levels as of October. Full-time employment was up 4% relative to 1 year earlier and was 5% above pre-pandemic levels.

The broader labour market improvement over the past year was also accompanied by gains in employment among key cohorts that drive rental demand. Full-time employment among people aged 15 to 24 was up 18% over the past year. Most of the gains in employment as the pandemic faded were in the service-producing sector; however, these gains have stalled over the past year. Employment in the goods-producing sector made gains in the second half of 2022, up 20% relative to 1 year ago and nearing pre-pandemic levels. Also, the job vacancy rate in the Edmonton CMA increased to 4.6% as of the second quarter of 2022. This is a rate not seen since the beginning of 2015.

Rental demand was also supported by provincial in-migration. In-migration was at its highest recorded level as of the second quarter of 2022, the latest data point available. This was due, in part, to quarterly net international migration setting a record in the second quarter: just over 25,000 net newcomers to the province. Almost half of international migrants in the second quarter were non-permanent residents. This signaled that some of the demand from in-migration could be from students.

Additionally, net interprovincial migration into Alberta returned to levels not seen since 2012/13, with just under 10,000 newcomers in the quarter. Annual data from July of one year to June the next year shows that net migration to Alberta in 2021/22 was similar to the level seen in 2013/14 (figure 1).

Figure 1 Alberta net-migration by type and Edmonton annual growth in rental occupancy (historical)



Source: CMHC; Statistics Canada

Vacancy rate declined because of stronger growth in rental demand

The vacancy rate for purpose-built rental apartments in the Edmonton CMA declined to 4.3%, compared with 7.3% one year earlier (Table 1.1.1). The number of occupied units grew by 5,163 over the past year, the largest single-year increase in occupancy on record. Growth in occupancy outpaced the increase in the apartment rental universe of 3,020 units. This was also one of the largest increases in supply on record.

Given strong demand, vacancy rates across all apartment types (number of bedrooms) declined significantly. Both 2-bedroom and 3+ bedroom units saw the largest magnitude declines, despite significant new additions to supply of these unit types. Vacancy rates also declined in every sub-area of the Edmonton CMA. The size of the decline was largest in some core zones like Downtown and West Central. These were the same areas where vacancy rates were some of the highest 1 year earlier. This can be attributed to a few factors, such as:

- stronger population growth;
- the return of in-person work in core areas; and
- a recovery in demand from students, as nearby University and Hudson's Bay Reserve zones also saw vacancy rates decline.

Narrowing gap between vacant-unit and occupied-unit rents reflects rental market tightening

Same-sample apartment rents increased by 1.5% relative to the previous year. The previous year, rents declined slightly, by 0.2%, given higher vacancies at the time. (Table 1.1.5.) Moreover, same-sample rents increased modestly across all apartment types in the purpose-built market. This represents a notable change in market conditions relative to 2021. The use of incentives to drive occupancy has become less prevalent, but is still a common tool used by landlords. This is because vacancy rates are still nowhere near previous cyclical lows. Among those landlords choosing to offer incentives, the following offers are still quite popular:

- 1 or 2 months of free rent
- Reduced pricing for cable and Internet services
- Move-in bonuses[1]

The average asking rent for vacant units in the Edmonton CMA was similar to the overall average rent for occupied units. One year earlier, the average asking rent for vacant units was 3.8% lower than the overall average rent for occupied units. Notably, the year-over-year change in rent for units that turned over (changed tenants) in 2022 versus those that didn't turn over (did not change tenants) was also negligible (table 6.0). This is another indicator that rental market conditions have stabilized over the past year. Greater incentive to move was highlighted by the fact that the turnover rate in the past 2 years increased from 25% in 2020 to 30% in 2022.

Higher inflation over the past year has been impacting household budgets. As a result, the incentive to seek out a lower-cost rental unit would have been higher. Vacancy rates for units with rents less than $700 per month or between $700 and $849 saw some of the largest declines in 2022 (table 1.4). Rents in these ranges would be considered affordable to people in the lowest income quintile (earning less than $36,000 per year). If vacancy rates decline further, competition for affordable units could be high (table 3.1.8).

New purpose-built supply pulling down rent premium for condominium rental apartments

Market conditions in the rental condominium segment saw little change in 2022 (table 4.1.1). The vacancy rate for condominium rental apartments, at 4.1%, was statistically unchanged relative to the previous year. It remained lower than the vacancy rate on the purpose-built rental market.

The number of condominium rental apartments in the market increased at a slower rate than apartments in the purpose-built rental market. This was likely due to a few factors, including:

- New apartment condo construction slowed significantly since the onset of the pandemic.
- The inventory of completed and unsold condominium apartments has declined significantly. This suggests that investors may have been able to sell their units to owner-occupiers.
- The purpose-built rental apartment universe expanded significantly, and new construction remains strong in this segment despite higher vacancies.

Still, the average rent for a condominium apartment was $1,272 in 2022. This represents an overall average premium of $78 relative to the purpose-built rental market (table 4.1.3). Notably, the condominium apartment premium was $132 one year earlier. This decrease of the premium reflects the scale of new additions added to the purpose-built market in the last 2 years.

Gap between cost of ownership and renting grows as mortgage rates rise

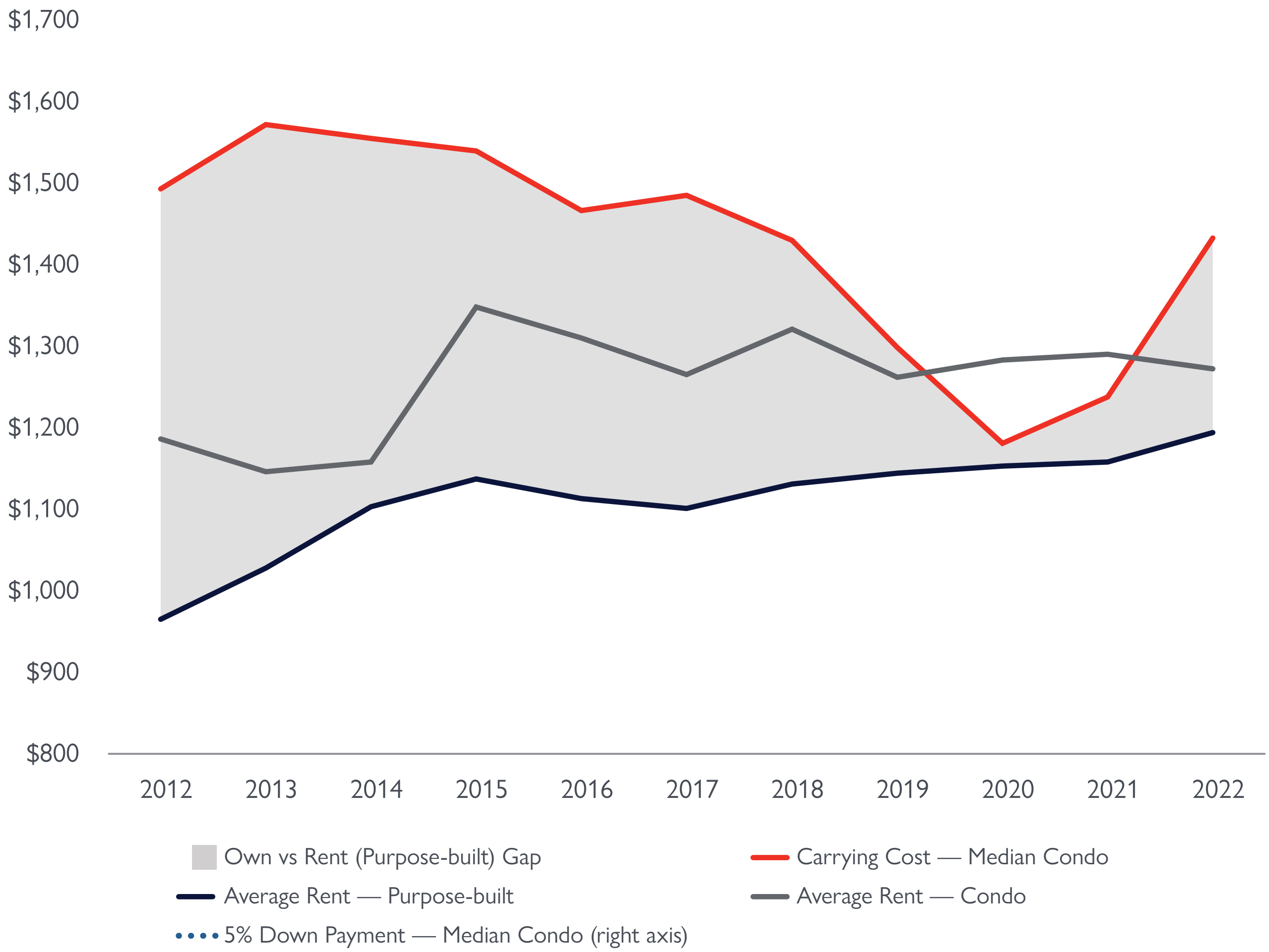
After declining in each year for the previous 5 years, rising mortgage rates in the ownership market have led to a higher monthly cost of owning versus being in the rental market. As a result, existing tenants may be choosing to remain in their rental units longer before moving to ownership. This may be adding to rental demand.

Let's look at an entry-level ownership option: in this case the median condominium apartment in Edmonton. In doing so, we see that the monthly cost associated with moving to ownership jumped 16% relative to 1 year earlier, reaching $1,433 per month (figure 2). This increase was due only to rising mortgage rates, given that the median condominium price in Edmonton declined slightly relative to last year. Other factors, like the size of the down payment needed, property taxes, strata fees and CMHC mortgage loan insurance premiums did not change much.

As a result, relative to the average rental condominium apartment, the premium for entry-level ownership went from being negative in 2021, to a positive premium of $161.

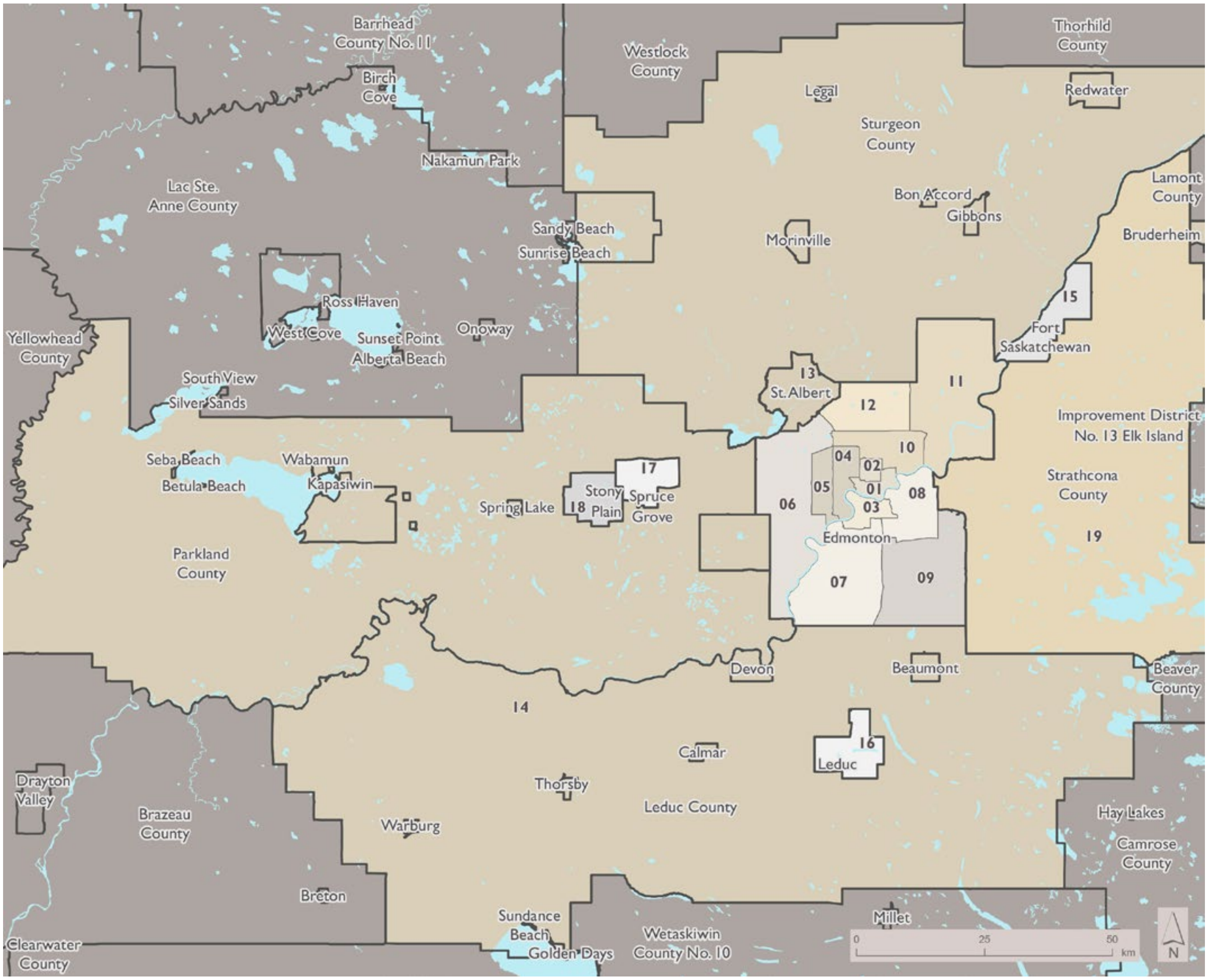
[1] Landlords use incentives like these to attract potential tenants without significantly lowering a unit's rent.

Figure 2 Monthly rent and carrying cost of ownership, Edmonton CMA



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.

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
2.7%	$1,466
	UP by 6%

CONDOMINIUM APARTMENT MARKET

Vacancy Rate	Average Two-Bedroom Rent
1.8%	$1,648

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 Calgary's economy growing beyond pre-pandemic levels, the rental market tightened to conditions not seen since Alberta's last economic boom."

Michael Mak
Senior Analyst, Economics

MARKET INSIGHTS

HIGHLIGHTS

Overall vacancy rate dropped to 2.7%, the lowest since 2014. Record migration into Alberta largely supported rental demand, while increases in supply were not enough to balance it out.

Stronger demand pushed up rents throughout the city as positive economic conditions encouraged migration.

Despite rental supply growing at an even quicker pace than last year, the market tightened. New buildings were completed near the city core and the eastern quadrants. Optimistic expectations for rental demand in Calgary helped spur growth in supply.

Affordability is a concern, since not enough homes are considered affordable for lowest-income households.

Vacancies drop sharply as rental market tightens due to strong turnaround

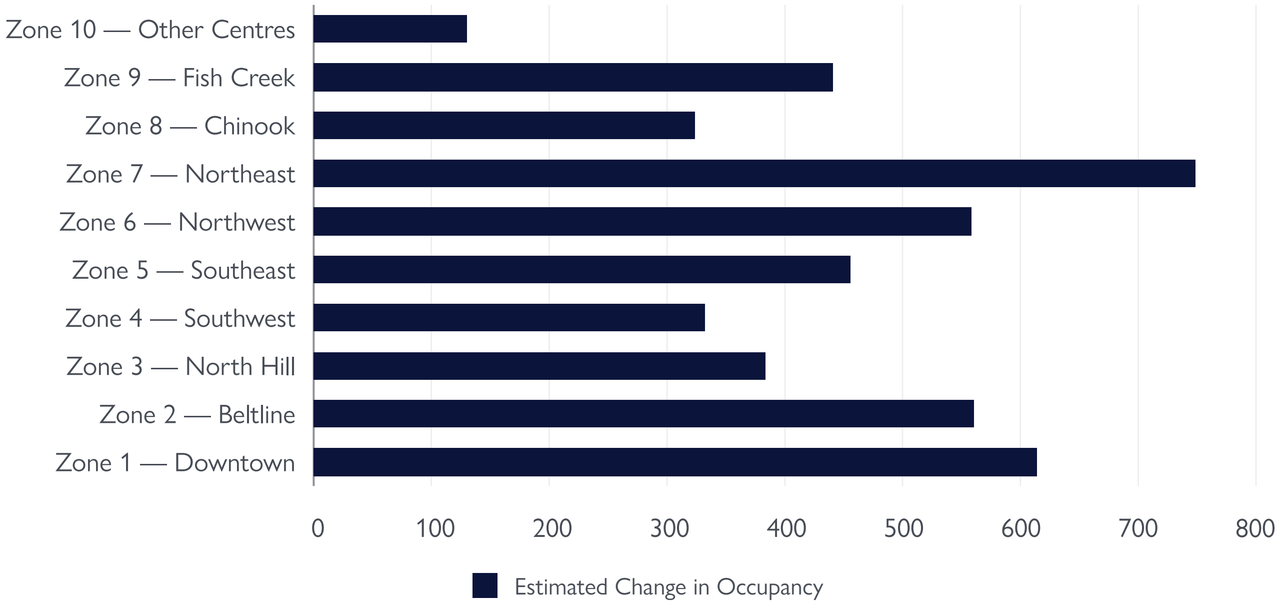
The rental market in Calgary tightened to a higher degree compared to 2021 as demand for rental housing continued to strengthen. Vacancies in the Calgary census metropolitan area (CMA) fell sharply across the region. The overall vacancy rate for purpose-built rental apartments fell from 5.1% to 2.7%. In the inner city, where close to 45% of the CMA's rental universe is found:

- the Downtown zone recorded a decreased vacancy rate of 3.9%;
- North Hill's vacancy rate fell to 2% from 7%; and
- the Beltline's vacancy rate saw a slight increase to 5.1%. This was the only rental zone to see an increase.

The Beltline is the zone with the most purpose-built rental units. However, its vacancy rate increase is mostly due to new units and buildings being in their leasing phase at the same time the Rental Market Survey was conducted. Market intelligence suggests these new units will be leased relatively quickly, lowering the vacancy rate. The trend of rental demand moving toward the suburbs due to the pandemic saw a definitive reversal this year. Notably, vacancy rates for large buildings with 100 to 199 units fell from 11% in 2021 to 0.4% in the Downtown core. For comparison, across the CMA, the vacancy rate for such buildings was 1.3%.

Demand for these buildings was slow to recover in 2021, because renters preferred smaller, cheaper buildings located further out in the city. However, with in-person office work becoming more encouraged by employers and demand tightening the rental market, there are fewer and fewer options available to renters.

Figure 1 Inner city resurges in occupancy, but Northeast leads in growth



Source: CMHC

The vacancy rate for townhomes in the Calgary CMA was already low in 2021 at 2.9%, but has fallen further to 1%. These homes provide space for growing families, an underserved part of the population in the purpose-built rental market.

Record migration and a strong labour market drive rental demand

Migration into Alberta turned around sharply in 2022 and was a major driver of rental demand. This turnaround stemmed from both higher interprovincial and international migration. During the pandemic, as economic opportunities dried up, more Canadians moved out than moved into Alberta.

This trend shifted in early 2021 and continued to strengthen throughout 2022, with employment reaching a record high since 2019. The unemployment rate in the CMA fell below 6% in 2022, back to a range last seen almost a decade ago. Professional, scientific, and technical services were some of the major drivers of employment growth, a sign that Calgary's growing tech sector supported rental demand.

Migration inflows from other provinces returned to levels seen in 2012–2014, the last time Alberta saw an economic boom. Employment opportunities, differences in affordability, and the cost of housing were motivating factors that drove migration.

Alberta also saw record-high immigration growth in 2022. The growth in Q2 2022 surpassed the previous high. This was driven by the loosening of pandemic restrictions, the return of in-person education, and increased demand for labour.

After a modest bounce back in 2021, employment for the 15-to-24-year-old cohort has recovered to 2019 levels thanks to stronger economic conditions. Households in this age bracket tend to be renters and contribute to rental demand in the CMA.

Increased demand and new developments push rents higher

Stronger demand pushed same-sample rents higher by 6%, the highest recorded increase since 2014. Compared to a negligible change in 2021, this increase shows how demand has shifted throughout Calgary in 2022. In periods where vacancies are low, same-sample rents are more likely to post higher year-over-year increases (figure 2).

Rents grew across all areas in the CMA, which was in line with expectations. With demand returning to the inner city, same-sample rents were:

- up 8.3% in Downtown; and
- up 6.2% in the Beltline.

Further away from the inner city, rents grew the highest in:

- Northeast, at 8.8%; and
- Fish Creek, at 9.5%.

These areas are more affordable compared to the pricier inner city, which may explain the higher growth percentages.

Newer units with more amenities can command a premium over existing rental stock. In fact, structures that were completed between July 2019 and June 2022 are rented for 34% over the average rate in the CMA.

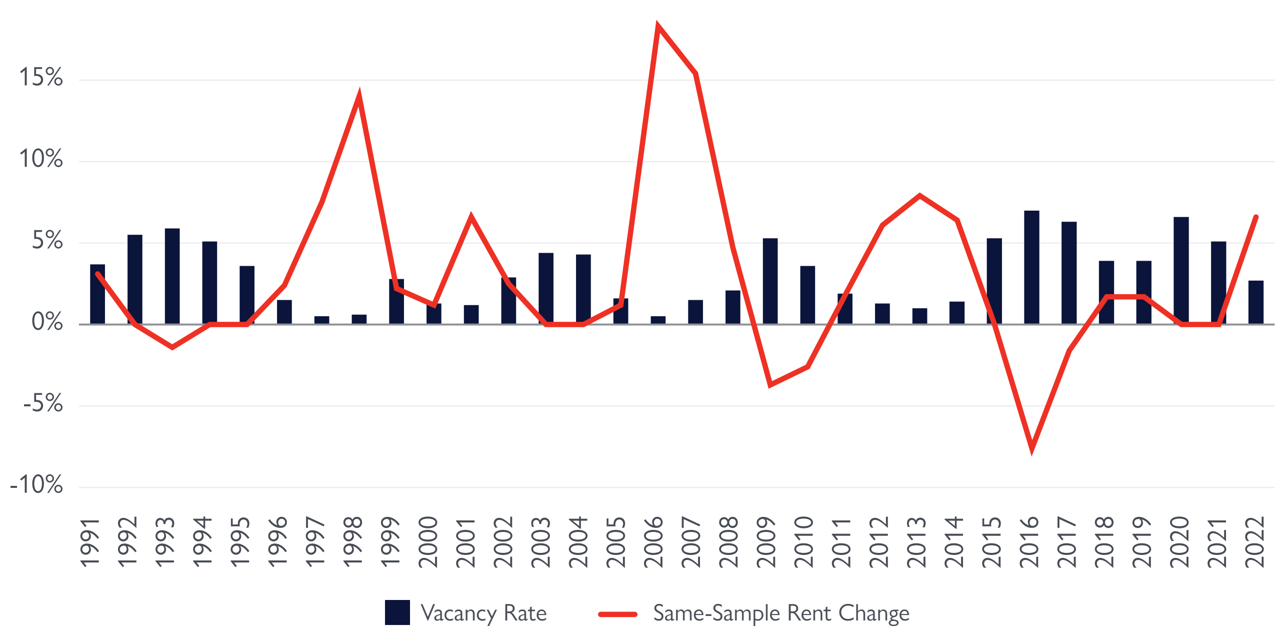
Renters looking for new apartments faced a much higher rent. Our new data on the rent increase at turnover sheds light on this situation. The survey results suggest that 2-bedroom apartments that had tenant turnover in the last year saw a higher rent increase on average than those that did not have tenant turnover.

Purpose-built rental supply continues to grow to keep up with demand

Operators and developers remain optimistic for future rental demand. The purpose-built rental apartments saw an above-average net growth of 3,562 units, or 8%, a clear sign of this optimism. This growth outpaces the 6% growth seen in 2021. About 1,500 of new units are in the Downtown core and Beltline. These units are all in the largest rental buildings completed in the city this year, containing over 200 units each.

The Northeast and Southeast zones saw the greatest percentage increases, at 19.4% and 13.5% growth, respectively. For the Southeast, this is a continuation of a multi-year trend, as development continues to expand through greenfield development. Most new structures here close to or less than 100 units. The Northeast saw more units added to the universe in generally larger buildings that contained 100 to 199 units. Sustained growth in the rental supply will help alleviate affordability pressures currently seen in the market.

Figure 2 Same sample rent increases tend to be greater when vacancy rate below 3%



Source: CMHC

Rental condominium market tightens at similar rates to the purpose-built rental market

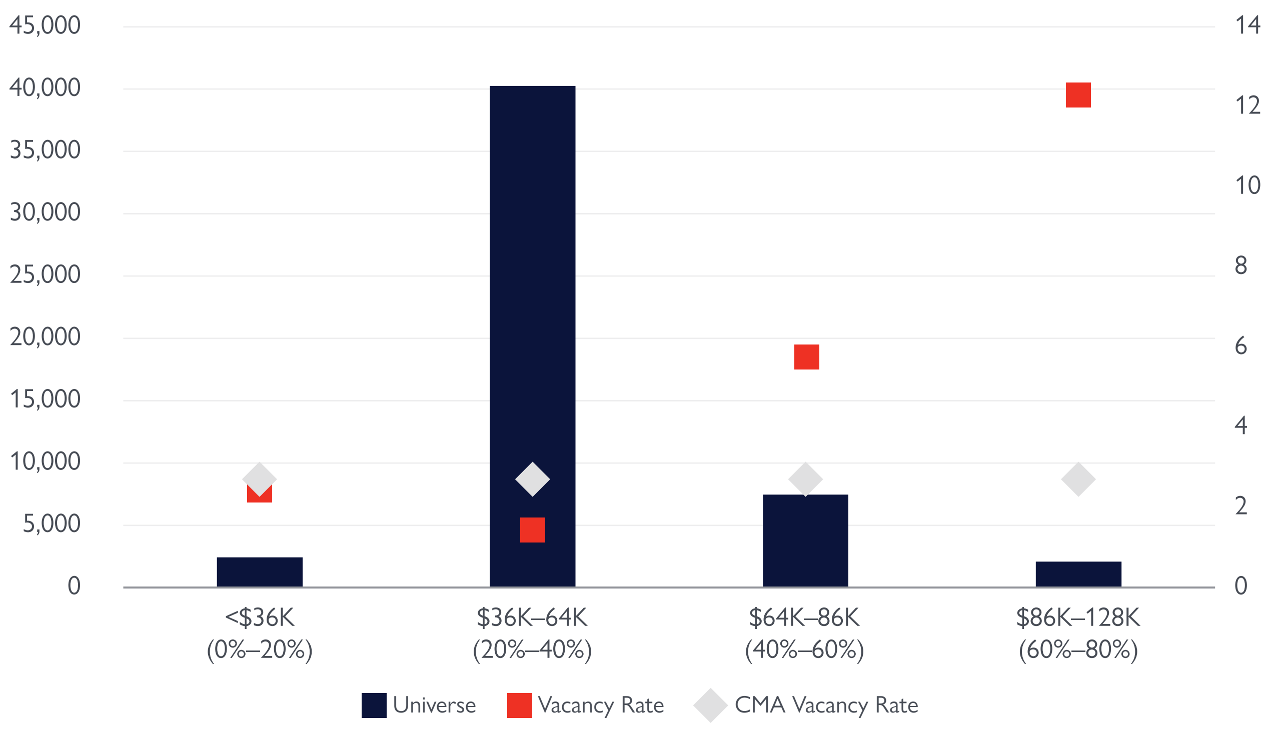
The rental condominium market makes up a significant portion of rental supply in Calgary and saw similar tighter conditions in 2022. Vacancy rates fell to 1.8% from 4.2%, and average rents rose by $100, reaching $1,546. Investors are more likely to buy and rent out newer units, creating a premium compared to the purpose-built rental market. While supply in this segment continued to increase, the growth (2%) is slower compared to the growth in purpose-built rentals.

Affordability gap wider for lowest-income households

With rising rents and lower vacancies across the city, affordability becomes an increasing concern. When comparing household income with monthly rent, only about 5% of the purpose-built rental universe is considered affordable for households earning less than $36,000 per year. The majority of the units are bachelor or 1-bedroom units, which are unsuitable for families.

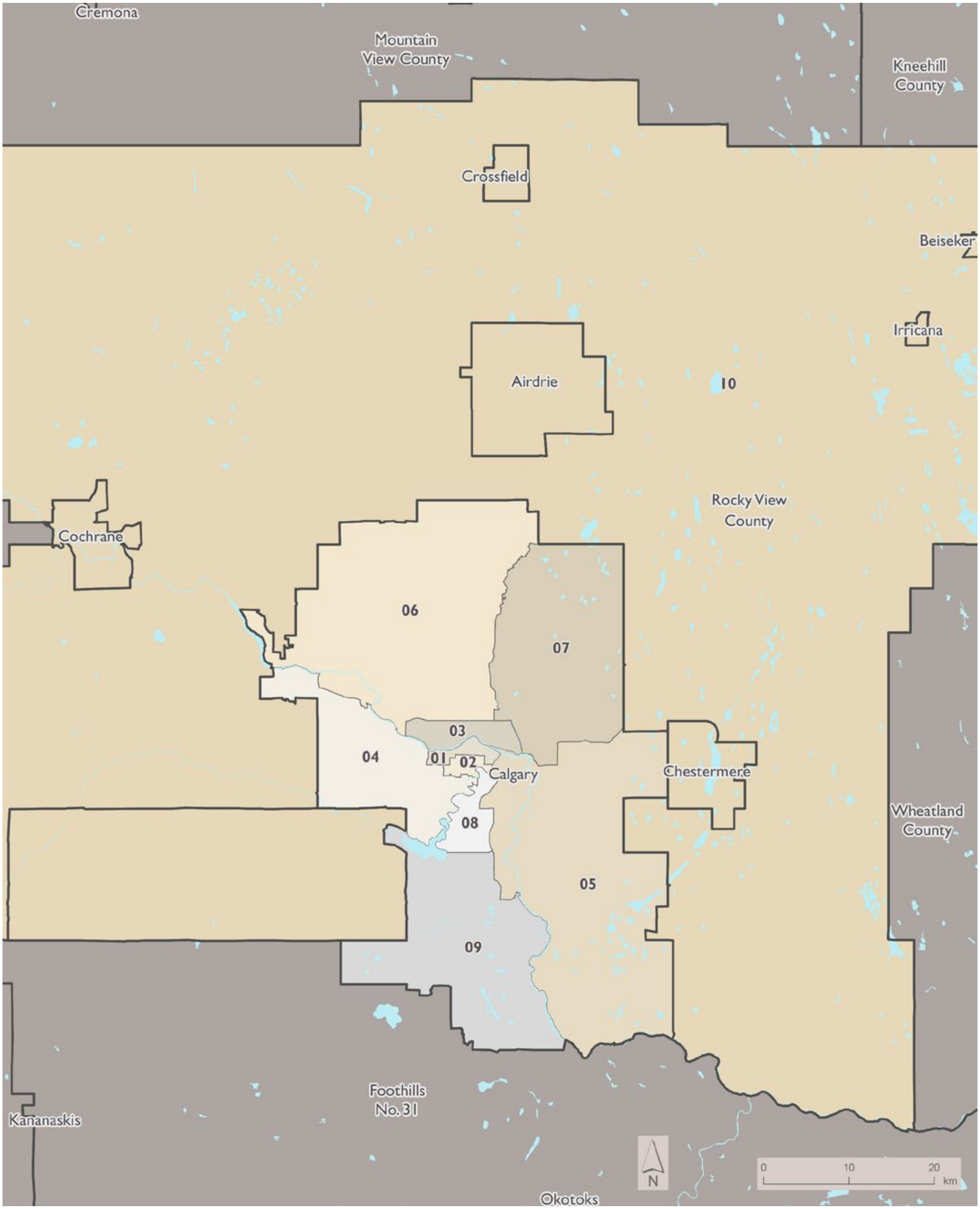
An additional 76% of the purpose-built rental universe is considered affordable for households earning less than $64,000 per year. However, this segment of the universe also has the lowest vacancy rate, at 1.5%. This implies strong demand for affordable units in Calgary, which may lead to increased difficulty for people who need affordable market housing.

Figure 3 Demand is high for more affordable units



Source: CMHC
Note: No units are considered unaffordable for the top 20% of earning 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.


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

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

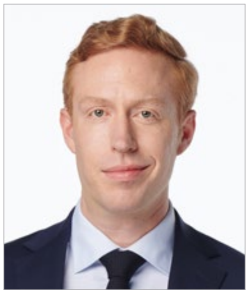
PURPOSE BUILT RENTAL MARKET

Vacancy Rate	Average Two-Bedroom Rent
3.4%	$1,243 UP by 3.4%

CONDOMINIUM APARTMENT MARKET

Vacancy Rate	Average Two-Bedroom Rent
3.7%	$1,346

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



"Saskatoon sees lowest vacancy rate and strongest rent growth since 2014."

Pete Nelson
Senior Analyst, Economics

MARKET INSIGHTS

HIGHLIGHTS

Saskatoon saw its lowest vacancy rate and largest growth in same-sample average rent since 2014.

Reasons for economic enthusiasm are driving demand: the labour market is showing signs of strength, net migration has turned positive, and commodity prices are booming.

For households in the lowest income group, only 7% of properties were affordable to rent. These units were mostly 1-bedroom or smaller—unsuitable for families.

Rental market conditions are the tightest since 2014

Saskatoon is seeing its tightest rental market since 2014. The vacancy rate for purpose-built rental units continued a years-long decline, falling to 3.4%. Rents grew by 3.6% after being flat last year. This is primarily the result of a few key factors.

First, employment conditions in Saskatoon have broadly improved over the last year. Jobs more likely to employ renters have seen employment levels increase significantly. The unemployment rate for workers aged 15 to 24—the age group most likely to rent—is down by over 20%.

Second, while Saskatchewan continued to lose population to interprovincial migration, a huge influx of immigrants led to record-high net migration gains. Saskatchewan has a long history of slow population growth, so this is noteworthy. A growing population will put downward pressure on vacancy rates and upward pressure on rents.

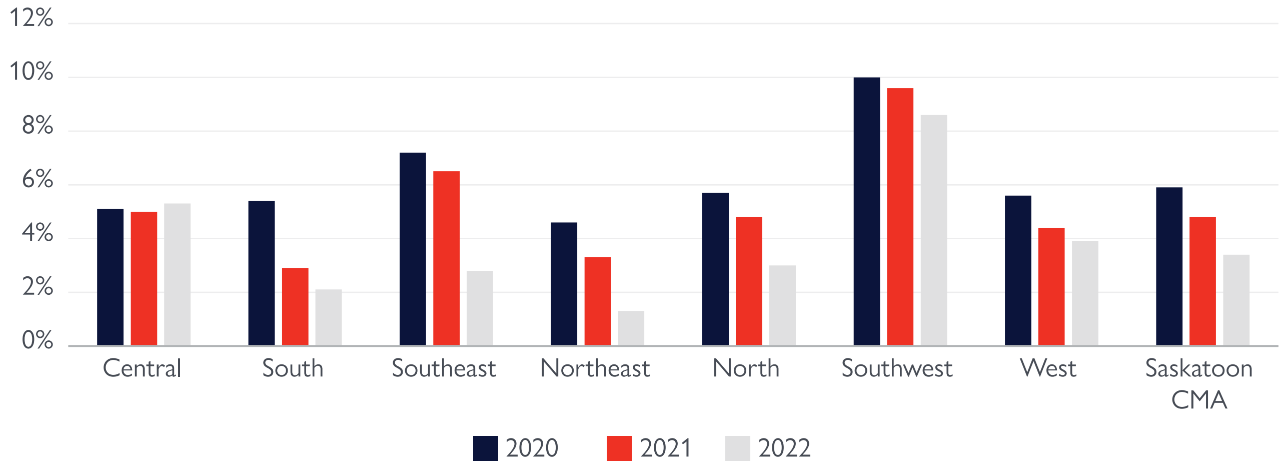
Finally, prices for nearly all of Saskatchewan's major exports have soared. Potash—which Saskatchewan provides nearly a third of globally—saw prices triple between January 2021 and June 2022. Russia and Belarus, the world's 2 other potash powers, face sanctions and shipping blockades. Historically, during periods of strong commodity prices, Saskatchewan has seen increased net migration and Saskatoon has seen improved employment conditions. These factors both drive rental market demand, helping to explain why these periods have typically been accompanied by high rent growth and low vacancy rates.

The impact this time will not be fully felt immediately. It takes time to expand production. Constraints on transportation limit the volume of commodities that can be moved to ports for shipping abroad. But if this sector continues to heat up, and employment and net migration continue trending up, rental market conditions could tighten further.

Rental universe expanded at its fastest pace in 3 decades, but still doesn't meet demand

In 2022, Saskatoon's rental universe grew more quickly than at any point in the last 3 decades. There were 801 units added—nearly 40% higher than the amount added last year. More than half of these units were added in the coveted northeast. The northeast also had Saskatoon's lowest vacancy rate at 1.3%, and the highest average rent ($1,250).

Figure 1 Lowest vacancy rate in northeast Saskatoon area

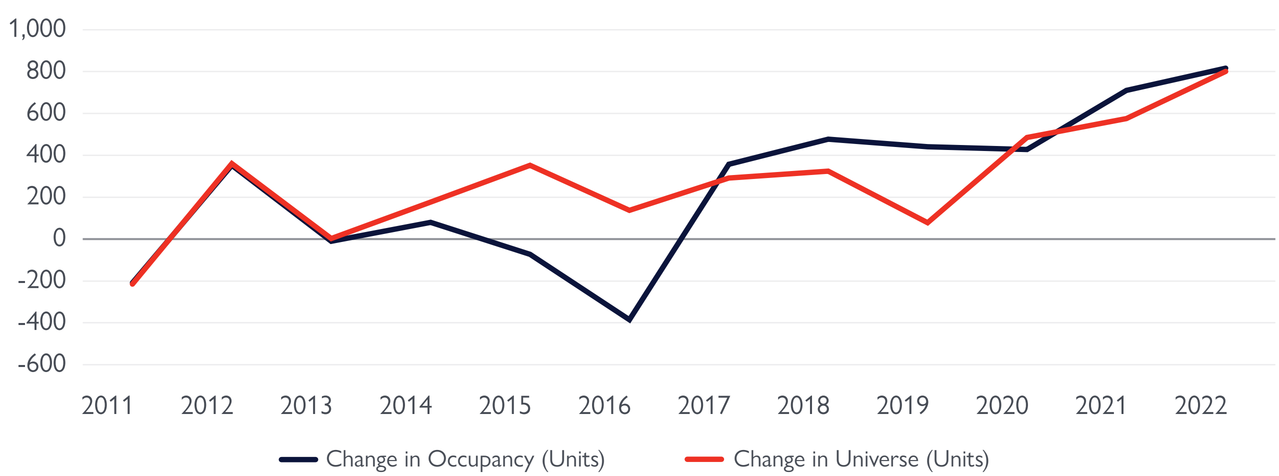


Source: CMHC

Rental market demand continues to outstrip new supply, with the increase in occupied units exceeding the increase in new rental units. As can be seen in our national section, the increasing cost of ownership is decreasing the incentive for renters to transition to homeownership. This means more demand will remain in the rental market. Excess demand was reflected by the fact that turnover units—those where an old tenant moved out and a new tenant moved in—saw rents jump by $150 on average.

While the gap between demand and supply shrunk from last year, it may yet widen. Demand-side factors, like net migration and employment, are showing strength just as higher rates discourage builders from providing new supply. Because increased supply is needed to restore rental market affordability, this is an area to watch.

Figure 2 Rental occupancy continued to outpace increases in supply in 2022



Source: CMHC

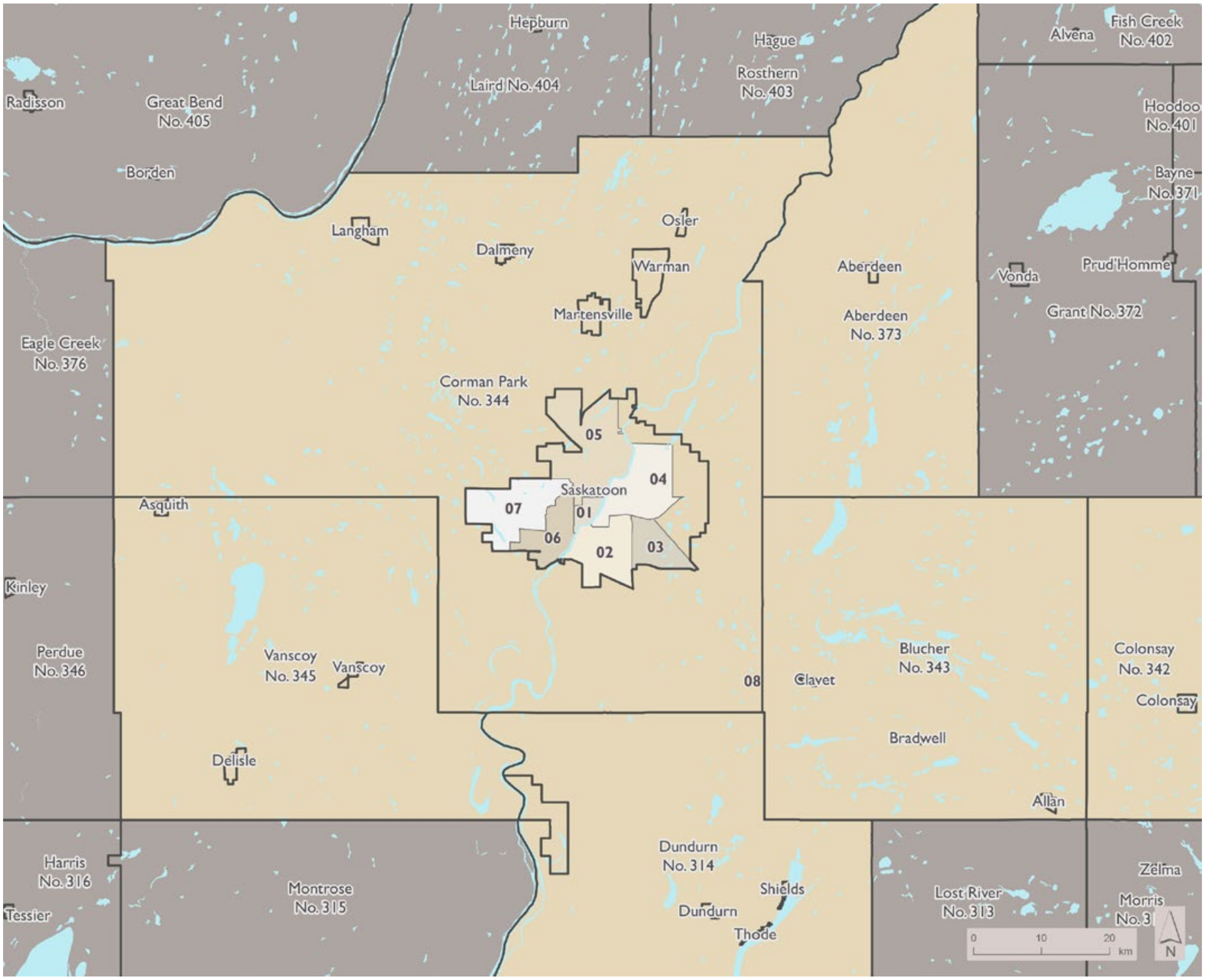
For renters in the lowest income quintile, affordability is a major issue. Households in the lowest income quintile could only afford 7% of properties in the rental universe. And affordability is only one consideration when assessing housing conditions: these properties are mostly bachelor or 1-bedroom, unsuitable for larger families.

Increasing cost of homeownership may be driving potential homebuyers to the rental condominium market

The number of rental condominium units in the universe remained the same compared to last year, and vacancy rates were up slightly. However, the average rent for 2-bedroom condominium units jumped. These units commanded a price of $1,346 this year, up from $1,208 last year, and $100 more than a comparable purpose-built rental.

This could reflect potential homebuyers being encouraged to rent by rising mortgage rates and choosing condominium units as temporary substitutes for homeownership over purpose-built rentals.

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
3.2%	$1,186
	UP by 3.3%

CONDOMINIUM APARTMENT MARKET

Vacancy Rate	Average Two-Bedroom Rent
2.7%	$1,467
	UP by 14.7%

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

"Vacancy rates were at their lowest level since 2014 as demand growth outpaced new supply."

Anita Linares
Senior Analyst, Economics

MARKET INSIGHTS

HIGHLIGHTS

Regina's overall vacancy rate fell to 3.2%, a decrease driven by increased in-person activities. The lowest rates were observed in Downtown, University, and Lakeview/Albert Park areas.

Average rent increased by 3.6% for all unit types and zones as a result of falling vacancy rates.

Overall vacancy rates in the condominium market decreased to 2.7% as modest growth in supply did little to meet growing rental demand.

Tighter rental market conditions worsened affordability for those in the lower income quintiles.

Demand outpaced supply, resulting in the lowest vacancy rates since 2014

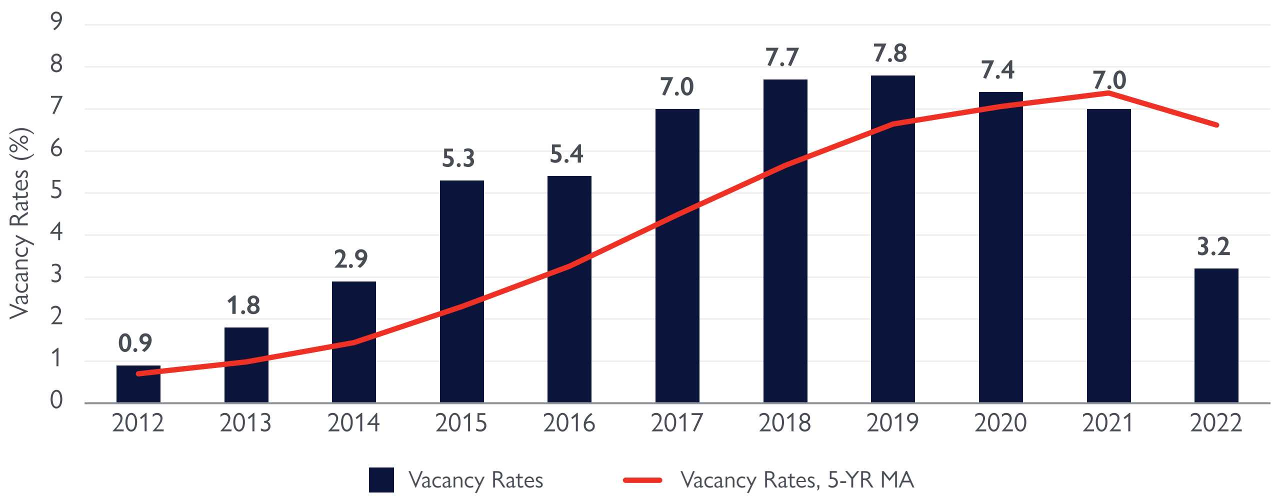
Vacancy rates across all areas of Regina fell to an average of 3.2%, well below the 5-year average of 7% (table 1.1.1). As a result, the current vacancy rate in Regina is approaching the national average (1.9%).

In 2022, Regina saw the highest levels of migration into the province of Saskatchewan. This migration sustained the demand for rentals. Combined with the economy's return to pre-pandemic levels and residents' return to in-person activities, these factors contributed to an increase in the occupancy rate of rental apartments. Vacancy rates were particularly low in the Downtown and University areas, at around 1%. Bachelor units near the University also posted vacancy rates below 1%, while the rate for 2-bedroom units in the Downtown area was 3% (table 1.1.1)

Vacancy rates in newer and larger rental buildings are lower compared to the average for the census metropolitan area (CMA). This trend could be indicative of a shift in renter preferences toward these types of rentals.

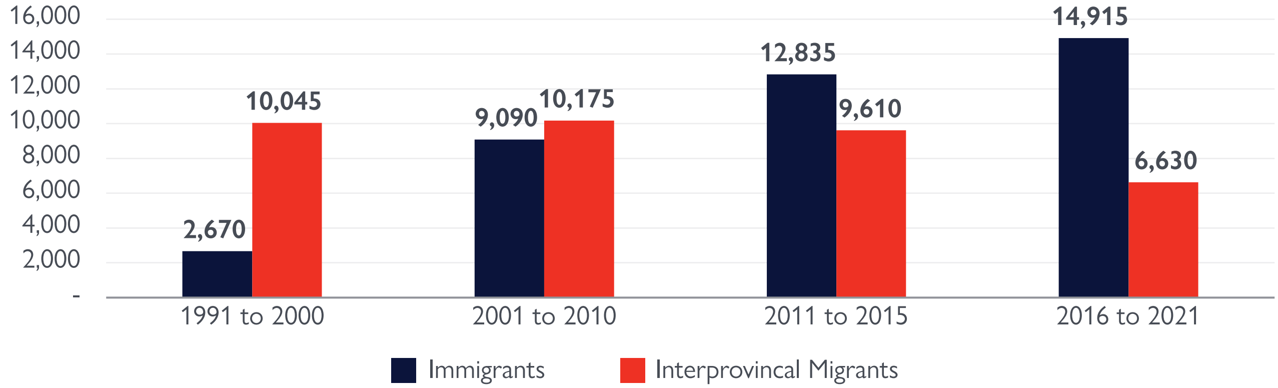
The supply universe shrank, even though there were 191 additions. Due to the demolition or renovation of older rental stock, the growth in supply was not enough to meet demand in Q4 2022.

Figure 1 Vacancy rate declines as demand outpaces new supply



Source: CMHC

Figure 2 International migrants support higher demand for rentals



Source: Statistics Canada

Lower vacancy rates led to rent growth despite decreased renter mobility

An elevated turnover rate and demand for newer units continued to drive up the rent premium for newer units, pushing the overall average rent higher. Regina saw average same-sample rents increase by 4% across all unit types (number of bedrooms) due in part to lowering vacancy rates (table 1.1.5). East Regina experienced the highest same-sample rent increase for 1- and 2-bedroom apartments, at 8% and 5%, respectively.

Changes in turnover rates remained high and comparable to what was observed last year (table 1.1.6). The turnover rate for a 1-bedroom unit near the University was notably lower, dropping by 5 percentage points. This trend meant that rent increases due to turnover were minimal near the University when compared to the rest of Regina. In contrast, the turnover rate for newer structures increased by 6 percentage points in 2022.

Tenants experienced rent increases whether they moved or stayed in their current rental unit:

- For those who moved, same-sample rent increased by 4% (table 6.0).
- For those who didn't move, rent increased by 1.8%, on average.

Modest increase in the condominium universe did little to satisfy demand

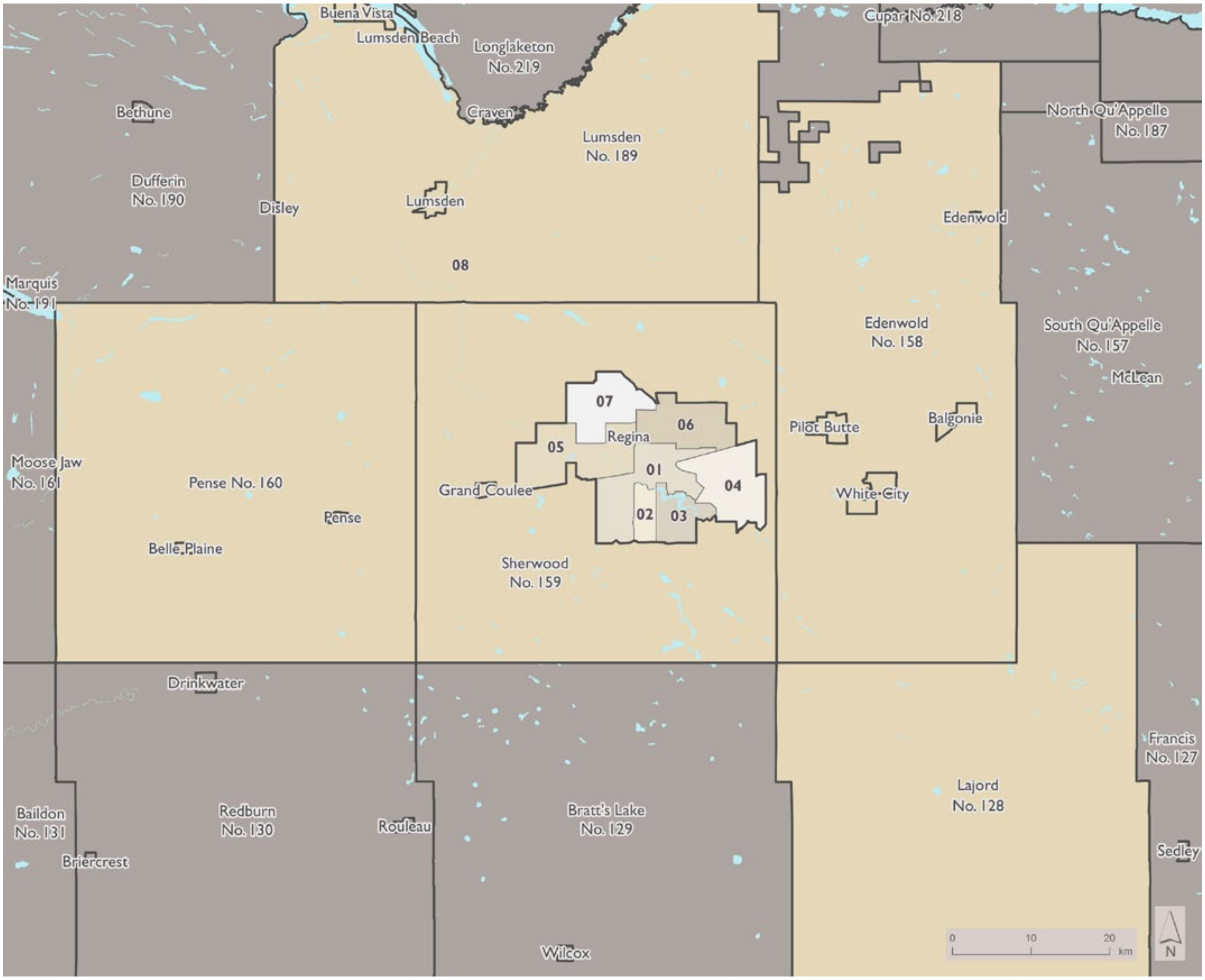
The vacancy rate for rental condominiums decreased to 2.7% (table 4.1), even though the supply of these units grew by 1%. This is similar to what we observed on the purpose-built rental market. Despite Regina permitting the construction of laneway homes across the city in 2022, higher building costs and supply-chain issues continue to hamper investment and limit rental supply growth. Combined with higher demand, these changes in the condominium universe have resulted in a tightening of this rental segment.

Two-bedroom condominiums were renting for $1,467, which is $281 higher than similar units in the purpose-built rental market (table 4.1). Some of the reasons for this premium are the amenities and location of the condominium units.

Market conditions led to worsening affordability for many

The rising cost of living, higher rents, and lower vacancy rates are leading to worsening affordability for tenants. Households in the lowest income quintile (those who make less than $32,000 per year) were able to afford only 8% of the rental market universe. The units available to those families were largely 1-bedroom units (table 3.1.8). This highlights the lack of suitable rentals for low-income households with larger 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.



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

2.7%

Average Two-Bedroom Rent

$1,350

UP by 1.5%

CONDOMINIUM APARTMENT MARKET

Vacancy Rate

1.9%

Average Two-Bedroom Rent

$1,301

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 demand grew more than supply, causing vacancy rates for purpose-built rentals to fall back to historical averages."

Adebola Omosola
Senior Analyst, Economics

MARKET INSIGHTS

HIGHLIGHTS

The overall vacancy rate for purpose-built rental apartments declined from 5.1% to 2.7% due to stronger growth in rental demand relative to supply. This decline follows 2 years of increases in the vacancy rate.

Average same-sample apartment rent growth was 1.7%, the lowest pace since 1999. This growth was mainly due to the implementation of the 0% rent increase guideline.

Affordability challenges persist for households in the lowest income quintile. They can afford to rent from only 4% of the rental universe.

Economic and market conditions boosted growth in rental demand

In Winnipeg, stronger demand for rental units was enhanced by:

- improvements in economic and labour-market conditions;
- population growth from international immigration and temporary residency; and
- higher borrowing costs, which limited the access of households to homeownership.

In 2022, the economy of Manitoba continued its post-pandemic growth as higher commodity prices and record levels of exports bolstered economic activity. Total employment continued to grow, resulting in one of the lowest unemployment rates in Canada. The increase in employment was most significant in the core cohort aged 25 to 44, which recorded total employment growth above the 10-year average.

In addition, growth in international migration over the past year led to population growth in Winnipeg, boosting rental demand. This is because most newcomers and immigrants choose the rental market when they arrive.

Also, higher mortgage rates and other homeownership carrying costs imply that rentals have become an attractive or the only alternative for many households. Some of these households are potential first-time homebuyers.

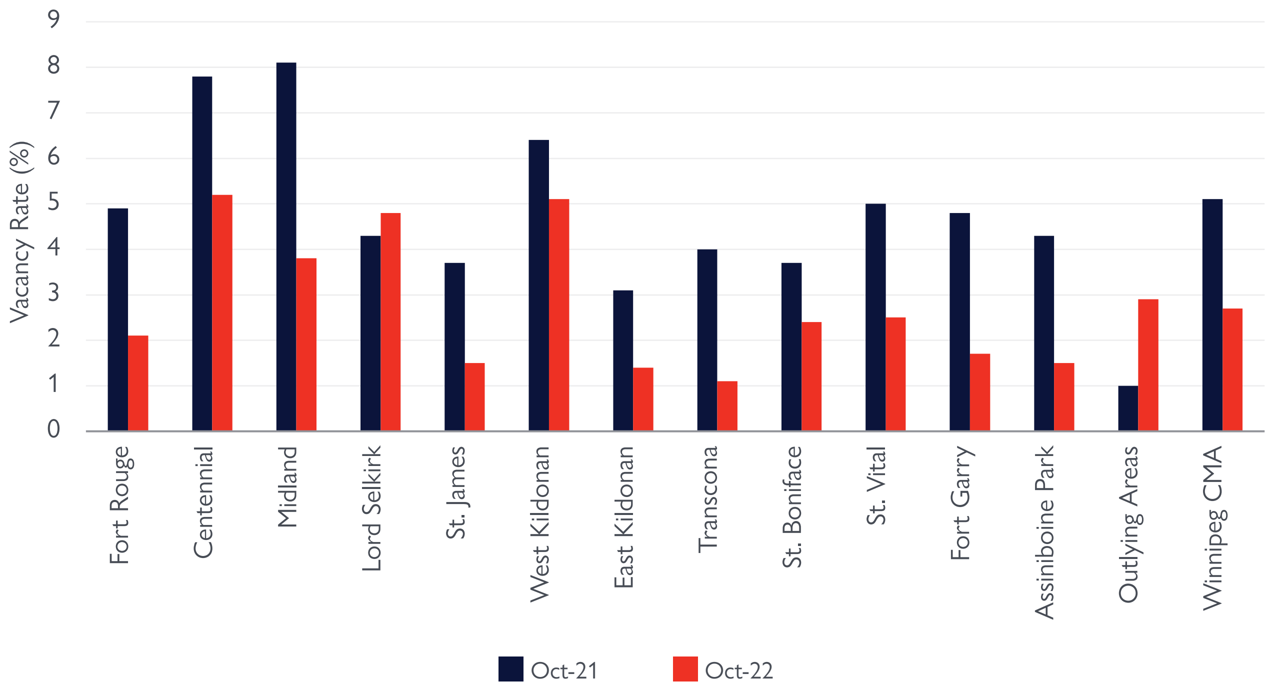
Vacancy rate declines as rental demand outpaces supply in Winnipeg

The overall vacancy rate for purpose-built rental structures in the Winnipeg CMA declined to 2.7% (table 1.1.1) in October 2022. This represents a reversal from the growth trend recorded in the previous 2 years due to higher demand for rentals. The decline in vacancies was consistent across all unit types (number of bedrooms) and most survey zones within the census metropolitan area (CMA) (figure 1).

The core area had the greatest decline in vacancy, evident mainly in the Fort Rogue, Centennial and Midlands survey zones. The return of in-person learning for university students and the recovery of activities in the downtown area were contributing factors. Similarly, the suburban areas had lower rental apartment vacancies, with the most significant declines in the Transcona, Fort Garry and Assiniboine Park survey zones.

Vacancies across all unit types declined. However, the decline was stronger for bachelor and 1-bedroom units, indicating a preference for smaller units as living costs continued to rise.

Figure 1 Purpose-built apartment vacancy rates decline across most CMA zones



Source: CMHC

Lower-than-average growth in apartment rent as the rental universe grew

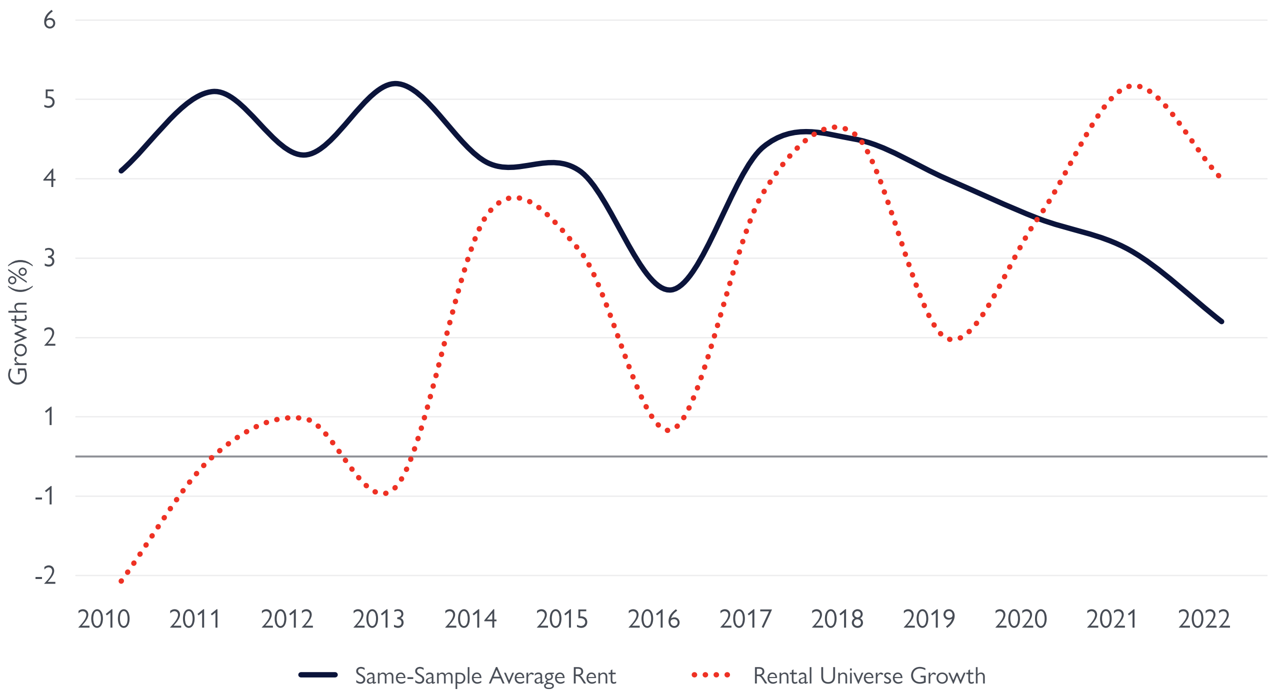
The purpose-built rental apartment universe increased by 2,283 units (+3.5%) in 2022. This was mainly due to newly completed 1- and 2-bedroom rental apartment units in the suburban areas of West Kildonan, St. Boniface and Fort Garry (table 1.1.3). The supply of rental units is expected to continue to expand in Winnipeg, since 85% of apartments under construction in 2022 are intended for the rental market.

As a result of higher supply levels, the growth in same-sample average rents was modest at 1.7% in 2022 (table 1.1.5). This was the lowest growth rate in over 2 decades. It was due to the 0% rent increase guideline implemented by the Government of Manitoba in January 2022. This guideline limits rent increases and applies to most rented residential apartments in the province, though there are some exemptions and special considerations.

Additionally, the significant number of units added to the market (figure 2) relative to demand could also explain the low growth in same-sample average rents.

As in previous years, bachelor units had the highest increase in same-sample rents, at 2.6%. This results from continued demand for this unit type due to their lower rents.

Figure 2 **Growth in same-sample average rent trends downward in response to regulation and rental universe growth**



Source: CMHC

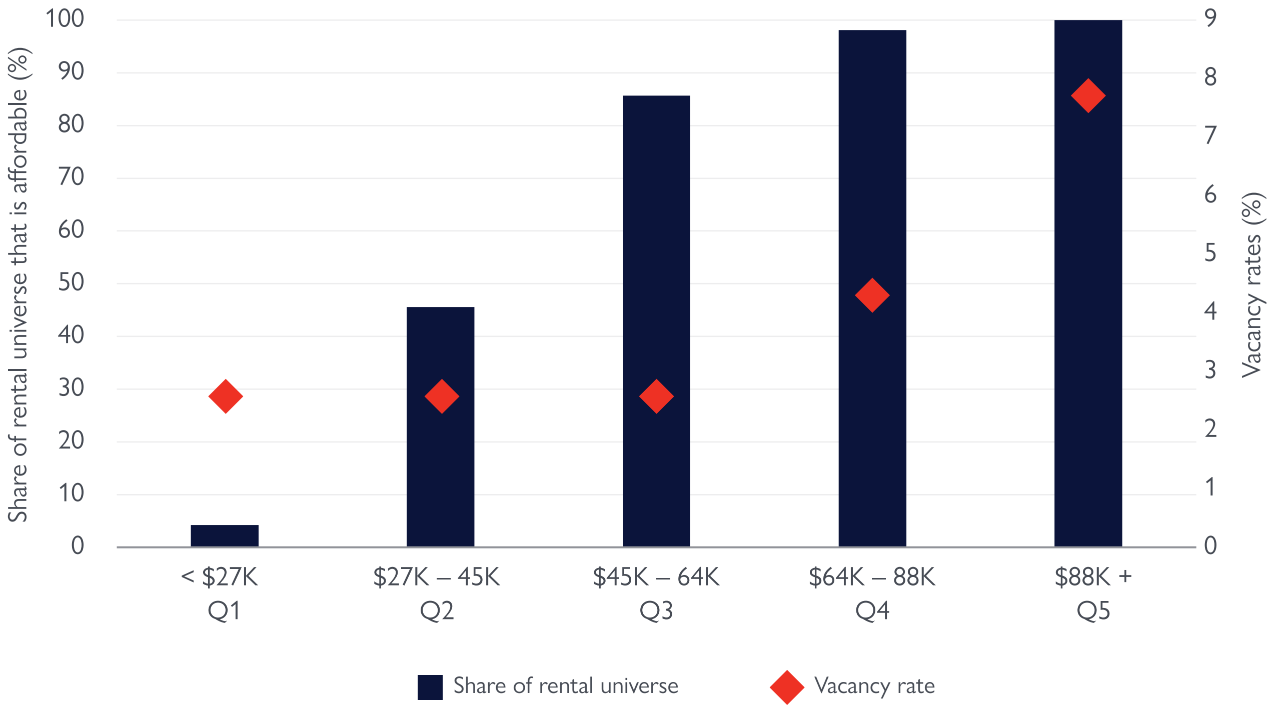
The average asking rent for a vacant apartment was 5.2% higher than the amount paid for occupied units (table 1.1.9). This gap was higher relative to 2021 when it was about 1%. The difference in rents varied across units based on the number of bedrooms. The widest gap was identified in 3+ bedroom units in the Fort Rouge core area of the CMA.

Overall, the suburban area of West Kildonan had the highest gap between the asking rent for vacant and occupied units. This is an area where many newly completed rental apartments are located.

Rental market affordability challenges persist for low-income households

Renter households in the Winnipeg CMA face different housing affordability challenges depending on their income level. Households in the first income quintile make less than $27,000 per year. Figure 3 shows that these households can only afford to rent from about 4% of the rental universe (table 3.1.8). Given that most affordable units are bachelor and 1-bedroom units, overcrowding can also be an issue for households in this quintile with larger families.

Figure 3 Households in lowest income quintile have limited rental options



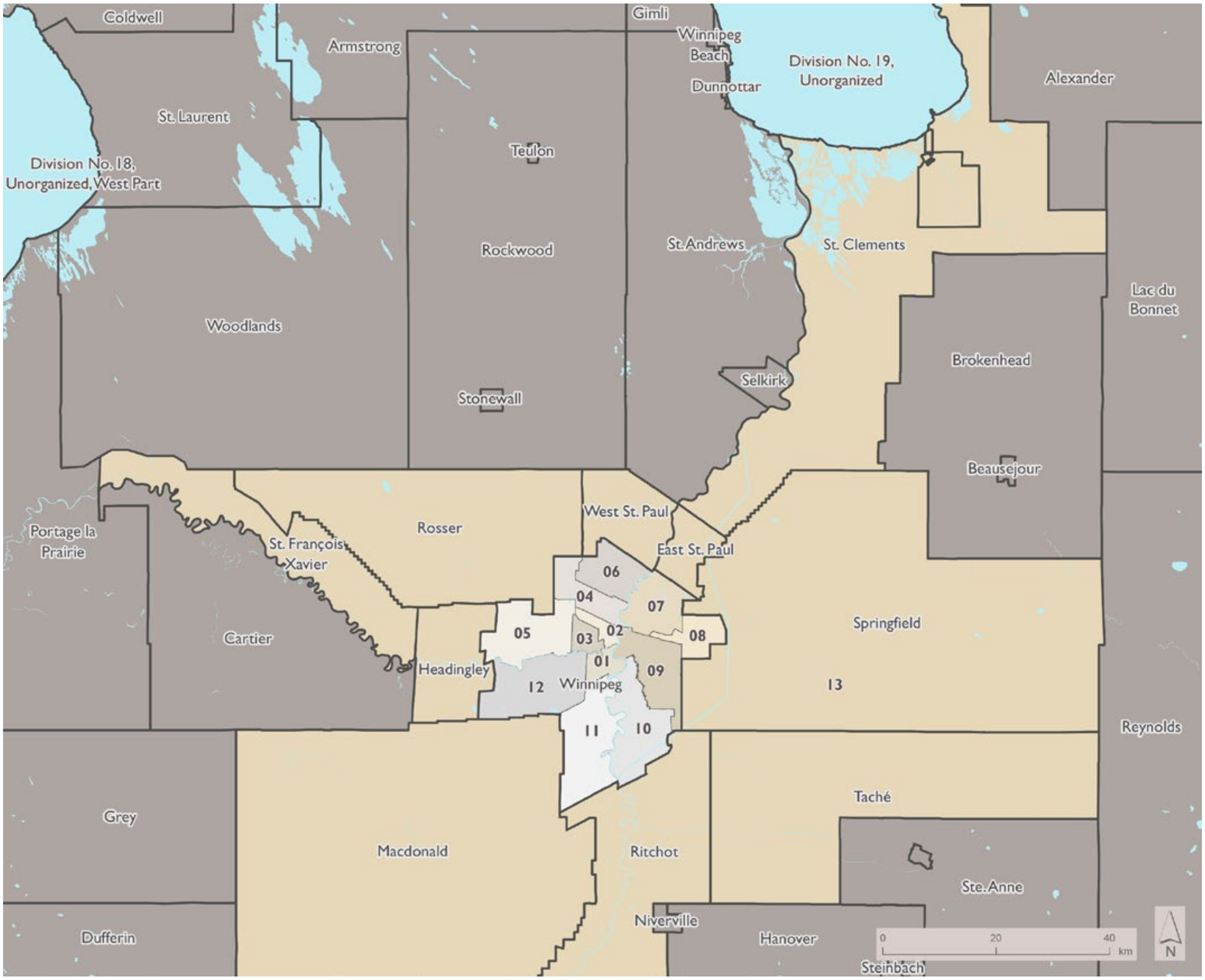
Sources: CMHC, Statistics Canada

Condominium apartments in long-term rental segment declined in most zones of the CMA

The vacancy rate for rental condominium apartments in the Winnipeg CMA was relatively stable at 1.9% (table 4.1.1). Although the condominium apartment universe grew, the number of units targeted at the rental market declined in most zones. The opposite was true in the core, where 5.2% more condominium apartments were committed to the rental market (table 4.3.1). This could indicate more robust demand for rentals within that area as educational and commercial activities recovered.

The average rent for a 2-bedroom rental condominium apartment in Winnipeg was $1,301 (table 4.1.2), slightly below the average rent in 2021. This is $49 lower than the rent for a purpose-built rental apartment of similar size, indicating a further narrowing of the gap between both market segments. This can be explained by the significant number of purpose-built rentals supplied to the market compared to fewer rental condominium 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.



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

Vacancy Rate	Average Two-Bedroom Rent
1.9%	$1,438
	UP by 5.3%

CONDOMINIUM APARTMENT MARKET

Vacancy Rate	Average Two-Bedroom Rent
0.1%	$2,083

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 for purpose-built rental apartments reached a low unseen since 2002, as rental supply failed to keep pace with growing demand."

Anthony Passarelli
Senior Analyst, Economics

MARKET INSIGHTS

HIGHLIGHTS

The vacancy rate for purpose-built rental apartments was the lowest since 2002, at 1.9%.

The number of occupied units increased due to more student renters, higher full-time employment and fewer renters transitioning to homeownership.

Average rent growth for 2-bedroom apartments was stronger this year at 5.3%, due to fewer vacancies and a higher Ontario rent increase guideline.

Only 12% of vacant units were considered affordable to renters at the 40th income percentile of $46,000.

The vacancy rate for rental condominium apartments remained below 0.5% for the fourth consecutive year, despite a significant increase in supply.

Rental supply failed to keep pace with growing demand

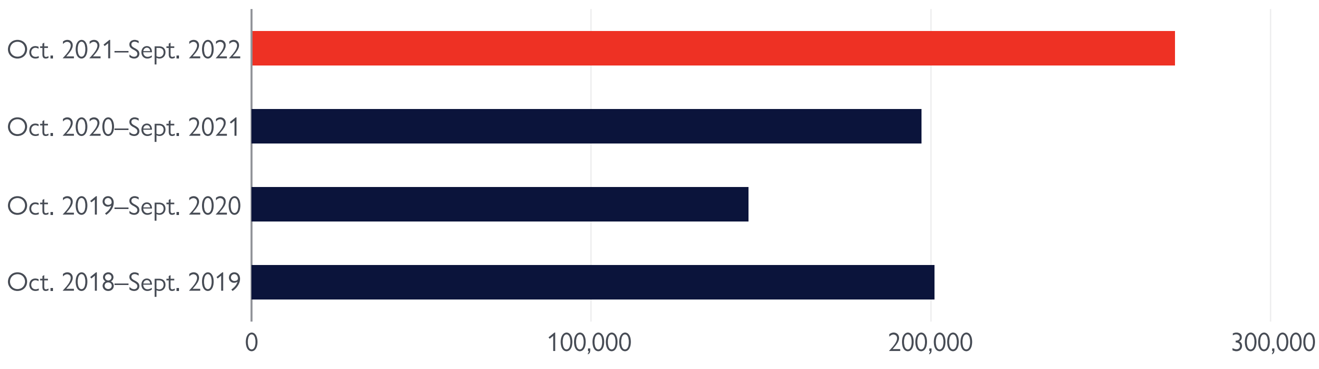
The purpose-built rental apartment universe increased by just 65 units. Apartments removed due to conversion or demolition nearly matched the small number of units added. This modest increase in supply was far less than the 470 additional occupied units, resulting in fewer vacancies.

Supply increased in only 2 of 9 zones. The suburban region Zone 9 saw supply increase for the second consecutive year. Developers continue to add rental housing to this region in response to demand from local empty nesters wishing to downsize.

Greater number of student renters compared to 2021

McMaster University's fall 2022 semester marked the full return to regular in-person learning. Therefore, more student renters contributed to the decrease in vacancy rates, particularly in Zone 5, the site of the university's main campus. This included more international students. Indeed, Immigration Refugees and Citizenship Canada (IRCC) data show that Ontario had significantly more temporary residents with study permits compared to our 2021 survey period (figure 1).

Figure 1 Number of temporary residents in Ontario on a study permit (12-month period)



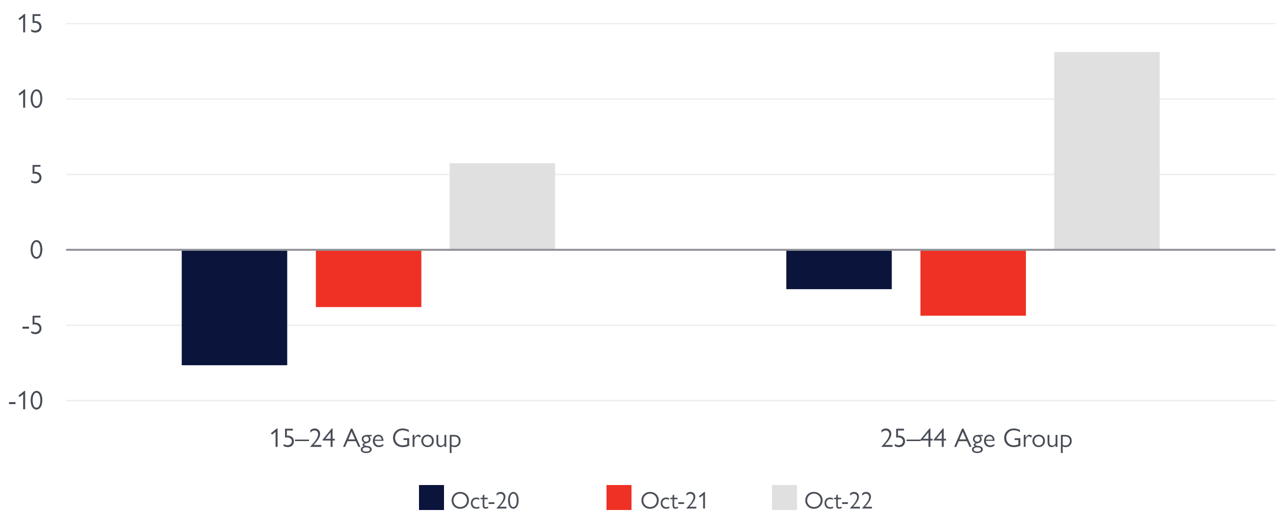
Source: Immigration Refugees and Citizenship Canada

Higher full-time employment led to greater rental demand

Higher full-time employment for people aged 15 to 24 and 25 to 44 (figure 2) contributed to more occupied rentals. The 2021 Census revealed that nearly half of rental households in the region consisted of people from these age groups. Full-time employment for the 25-to-44 age group well surpassed pre-pandemic levels. Employment gains also occurred in service industries where workers tend to rent, such as retail, information, culture and recreation.

There were also more temporary residents with work permits in Ontario compared to our 2021 survey period. These additional temporary residents also likely stimulated rental demand in Hamilton.

Figure 2 Year-over-year change in Hamilton CMA full-time employment (%)



Source: Immigration Refugees and Citizenship Canada

Weaker outflow of renters into homeownership

More rental apartments were occupied because, in all likelihood, fewer renters transitioned to homeownership. This was a primary reason for low turnover rates this year. The income needed to qualify for a mortgage on the median-priced home in the region grew more than actual incomes did. This was a result of sharply rising mortgage rates. Renters had fewer affordable homeownership options, despite house prices trending lower.

Strong rent growth driven by large increases on vacated units

When comparing apartment structures surveyed in both 2021 and 2022, the average 2-bedroom rent increased by 5.3%. Strong rent growth was driven by stiff competition for units that were vacated. Rents increased by about 26% for 2-bedroom units that were turned over to a new tenant.

For existing tenants, the Ontario rent increase guideline increased from 0% in 2021 to 1.2% this year. This also contributed to the overall rent growth.

The above analysis highlights the stark contrast between rent paid by new versus existing tenants. On average, existing tenants of 2-bedroom units paid $1,326 per month. New tenants, meanwhile, paid $1,679 per month for the vacant units in the same building.

Future tenants will continue to face stiff competition for units that become available

Future tenants will likely have to pay higher rents than new tenants did this past year. The average asking rent of a vacant 2-bedroom unit in October 2022 was higher than the actual rent paid for a unit that was turned over to a new tenant during the previous 12 months. This suggests that rental property owners expect that rents will continue to increase.

Few vacant units were affordable to middle-income renters

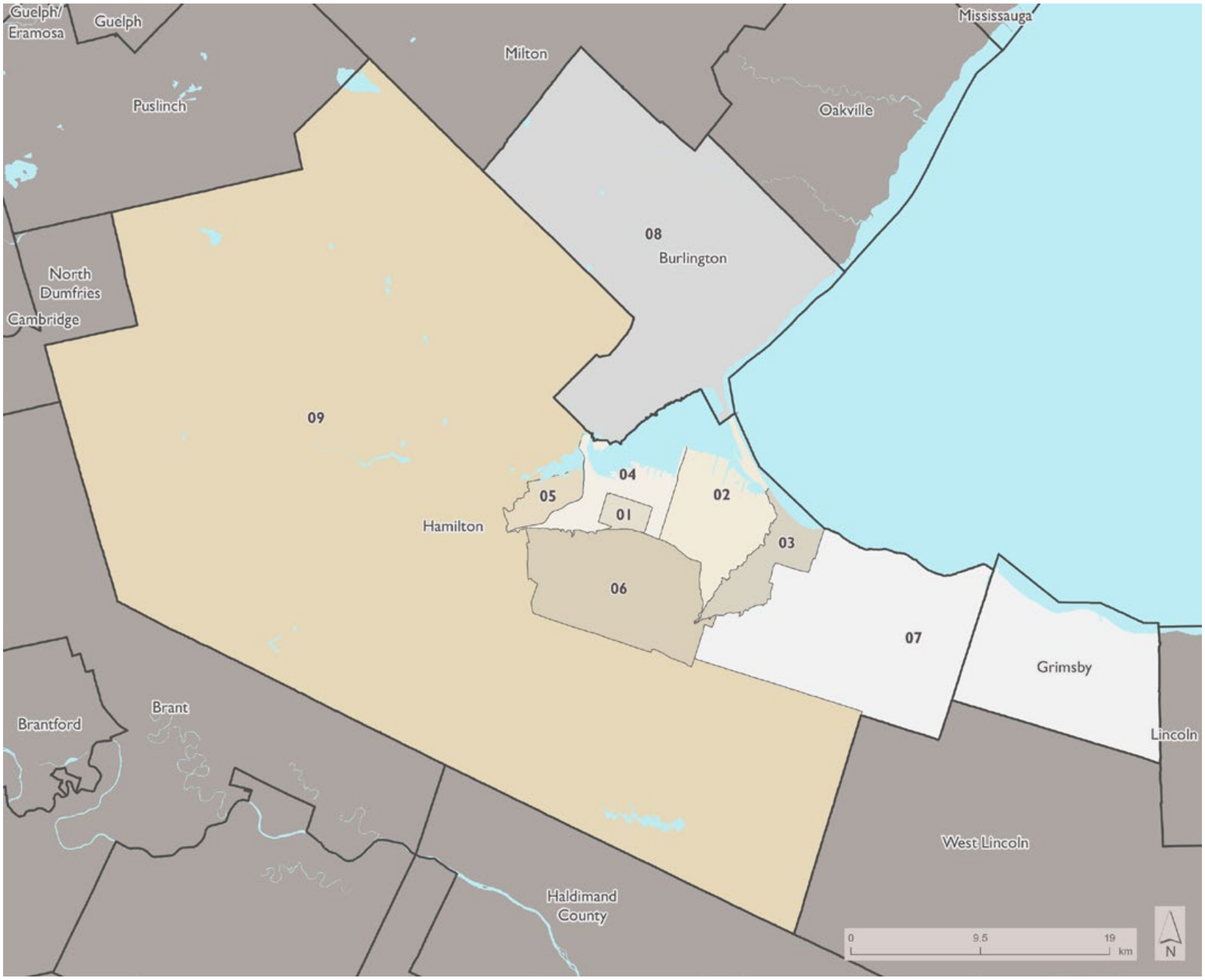
Rents have persistently grown faster than incomes in the Hamilton census metropolitan area (CMA). This has left even middle-income rental households with few affordable options. Only 12% of vacant units were estimated to be affordable to renters at the 40th income percentile of $46,000. Most vacant units were only affordable to renters with a yearly income of $65,000 or greater.

Condominium apartment vacancy rate remains below 0.5%

Despite a significant increase in supply, the vacancy rate for condominium rental apartments remained below 0.5% for the fourth consecutive year. The additional rental condominium supply consisted of newly completed units, units changed from owner-vacant to renter-occupied status and conversions of purpose-built rentals.

The persistent low vacancy rate suggests that an underserved market exists for pricier rental accommodation in Hamilton. A considerable number of renters chose to pay $500–$600 more to rent a condominium instead of a purpose-built rental apartment. This significant rent difference is due to several factors, including the higher quality of condominiums, the amenities they offer and their central location.

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
2.3%	$1,254

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

"Overall vacancy rates remained low. Limited rental unit supply was met by 2 different demand pressures: reduced demand in the Lockerby area due to lower student enrolment and increased demand elsewhere due to higher immigration."

Tad Mangwengwende
Senior Analyst, Economics

MARKET INSIGHTS

HIGHLIGHTS

The overall vacancy rate of 2.3% remained at its 10-year low.

Average rents remained stable, since increased demand from population growth was tempered by reduced demand from lower student enrolment.

Affordability remains a significant challenge for the lowest-income households.

The overall vacancy rate remained low

The overall vacancy rate in the Greater Sudbury census metropolitan area (CMA) was 2.3% in October 2022. This meant vacancies remained near their 10-year low. The change from 2021 was within our survey's margin of error and not statistically significant.

Vacancy rates were also stable across most parts of the CMA. Lockerby was the exception. The total vacancy rate in the area rose from 0.3% to 1%. Vacancies in this zone were up for both 1-bedroom and 2-bedroom units.

Decline in student renters increased vacancies in some parts of the CMA

Zone 1 – Lockerby, the site of Laurentian University, drew fewer students in 2022. This was due to lower student enrolment and the departure of academic staff following the termination of academic programmes.

Population growth increased rental demand outside of Lockerby

As shown in figure 1, the population of the Sudbury CMA has been growing. This was reflected in the 2021 Census numbers, which showed that total population was up 3% since 2016. It was up a further 0.3% in 2022. This growth increased rental unit demand.

Population growth was driven by immigration. The CMA is one of the participants of the Rural and Northern Canada Immigration Pilot (RNCIP). This pilot project is working to attract immigrants to address labour shortages and support continued economic growth. Newcomers tend to opt for the rental market to meet their housing needs so, as their number increases, the demand for rental units increases.

Increased demand for larger units

Market intelligence indicated that the demand for 3-bedroom units has been increasing in Sudbury as the profile of immigrants changes. Newcomers drawn in from programmes such as the RNCIP have been more likely to arrive with families. These families require larger spaces for their housing needs.

In contrast, student immigrants, who have traditionally formed a large proportion of recent newcomers, have been more likely to arrive alone. Their arrival alone meant that their housing needs could be met by smaller units.

Higher homeownership costs kept more people in the rental market

Higher interest rates increased the cost of homeownership. Through the first 10 months of 2022, MLS home sales were 16% lower than they were over the same period last year. Renters who would have transitioned to homeownership remained in the rental market, reducing the number of units that would have been made available.

In New Sudbury, the turnover rate declined from 13.6% in October 2021 to 8.4% in October 2022. This was a reflection of more renters choosing to stay in the rental market.

Average rents remained flat

Same-sample average rents for 2-bedroom units remained flat. Changes between 2021 and 2022 were not statistically significant.

The difference between the rents of occupied and unoccupied units was also not statistically significant. In markets with very low vacancy rates, unoccupied units can command significantly higher rents. In the Windsor CMA, for example, vacant-unit rents were 20% higher than the average market rent. This situation poses a challenge for new tenants in the market who must face higher-than-average housing costs. In the Sudbury CMA, the rents for occupied and unoccupied units were similar. Therefore, there was no additional rent affordability burden for renters seeking new rental housing.

Low-income households face an affordability challenge

The average 2-bedroom rent is not affordable for the 2 lowest income quintiles. Additionally, it's only affordable for some of the households in the third quintile. This means that the lowest-income households face great difficulty in finding housing that they can afford when entering the rental market or looking to change their housing.

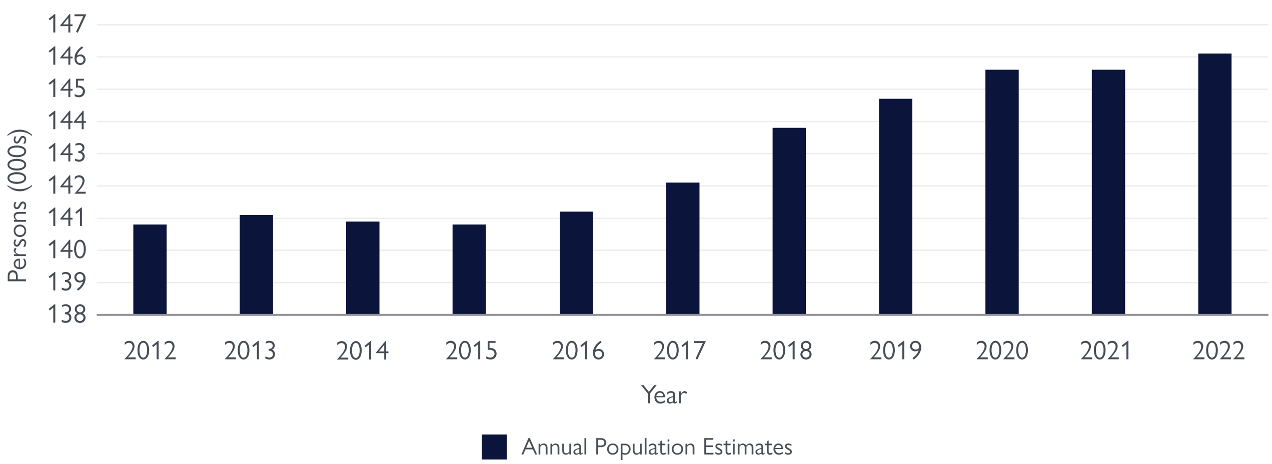
There are vacant units that fall within the affordability range of the lowest-income households. However, higher-income households can also pursue these units. As a result, housing that's accessible to low-income households faces the stiffest competition between potential renters.

Stronger economic growth objectives will require more housing supply

One of the primary themes in Sudbury's 2021 Economic Recovery Plan was the attraction and retention of skilled labour. The successful accomplishment of this goal will necessarily increase housing demand in this already constrained rental market.

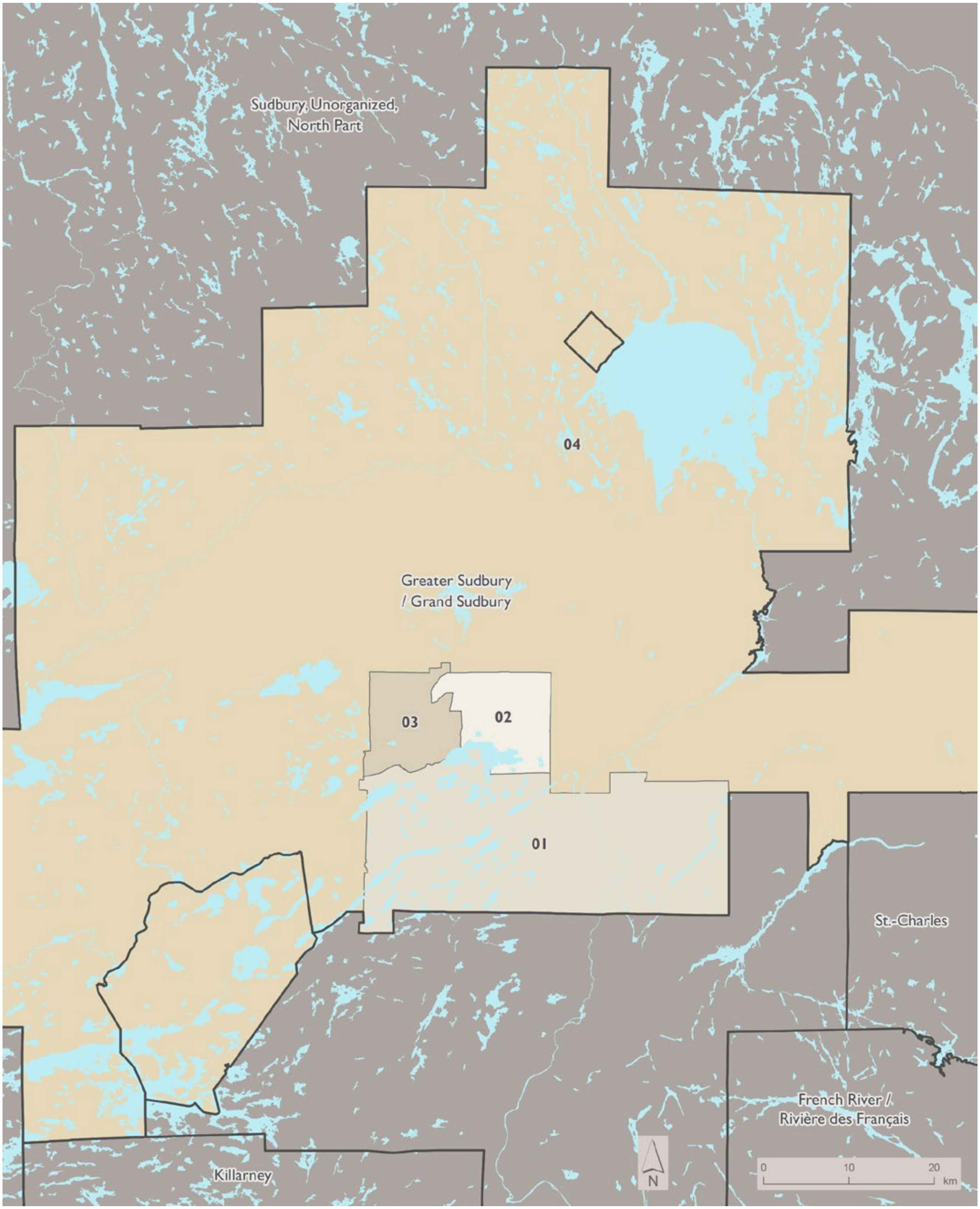
Capital projects such as the construction of the Exploration Shaft Hoist House at Vale will also require more labour. The Sudbury area is also a major producer of nickel. Growth in the global demand of this metal as an input in batteries and green vehicles will likely further increase labour demands in the area.

Figure 1 Stronger population growth in tight market underscores need for more housing supply (persons, 000s)



Source: Statistics Canada

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

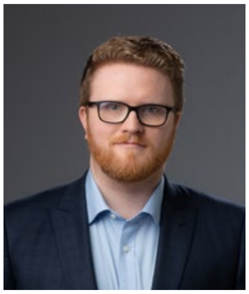
Vacancy Rate	Average Two-Bedroom Rent
1.2%	$1,469
	UP by 7.2%

CONDOMINIUM APARTMENT MARKET

Vacancy Rate	Average Two-Bedroom Rent
1.1%	$**

**Data supressed.

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



"Elevated immigration and the continued return of students to the classroom contributed to the lowest vacancy rates in 20 years and record-high rent growth."

David Carruthers
Senior Analyst, Economics

MARKET INSIGHTS

HIGHLIGHTS

Vacancy rates fell to their lowest level in 20 years. Consequently, rent growth has hit historic highs at 7.2% (2-bedroom apartments).

The resurgence of immigration, particularly student-led non-permanent residents, was a major driver behind increased demand.

Rapid rent increases and tightening budgets reduced mobility. Turnover rates therefore fell from 16.3% to 13.4%.

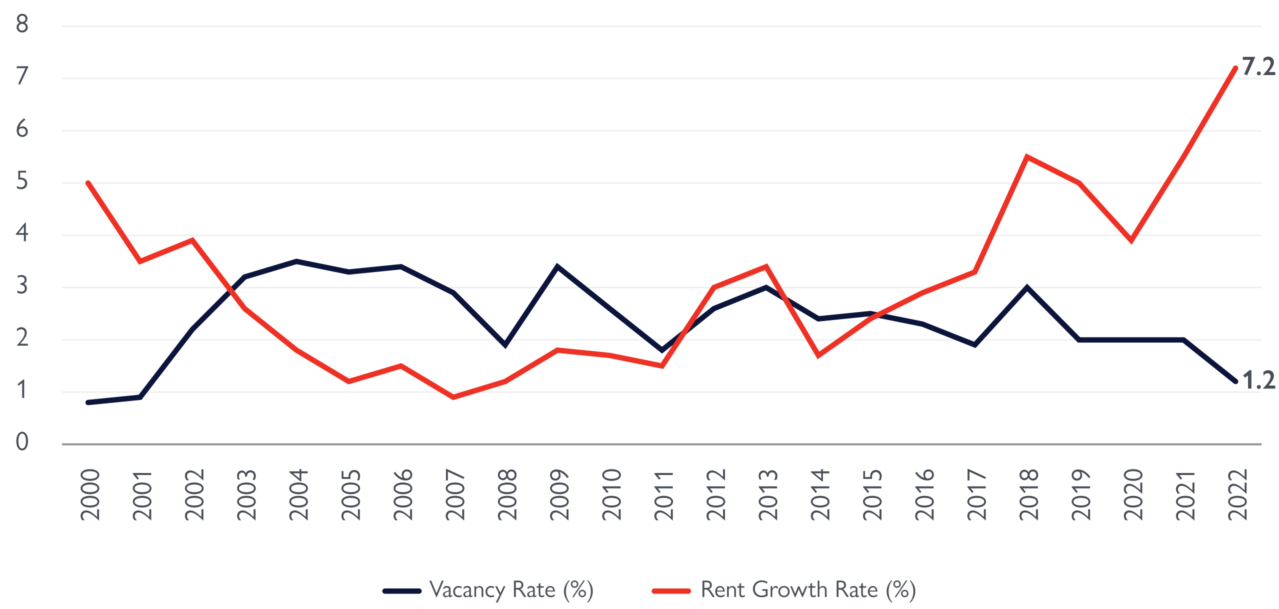
A significantly tighter rental market led to record rent increases

From the steady 2% seen since 2019, vacancy rates in Kitchener-Cambridge-Waterloo (KCW) have dropped sharply to 1.2% (table 1.1.1). This drop occurred across unit types (number of bedrooms) and most local municipalities. Competition for rental units has led to a rapid increase in rents, with 2-bedroom rents increasing by 7.2% (table 1.1.5).

This pace of increase is extremely high for KCW and outpaces the growth seen in other centres, including Toronto, Guelph, and London.

This historically high rate of rent growth was reflected in the large and growing gap between the rents of units that turned over to new tenants and those that didn't. New data released in this year's survey shows that 2-bedroom apartments that were turned over saw their rent increase by 25.6%. For comparison, the rent increase for units without turnover was 0.9% (Canada table 6.0).

Figure 1 **Lowest vacancy rate in 20 years drives extraordinary rent growth**



Source: CMHC

Very few affordable options for renters and tight household budgets

October 2021 to October 2022 has seen relatively high wage growth. However, rising rents and very high non-shelter inflation across the country have combined to prevent an increase in purchasing power. The low availability of affordable units was a critical challenge. No more than 5% of units were affordable to renters with incomes in the bottom quintile, and 0% of those units were vacant (table 3.1.8).

Tight budgets and the prospect of higher rents when moving are likely to reduce mobility (and turnover rates, as seen in table 3.1.6). Lower mobility may in turn lead to poorer matching of renters with units that suit their needs well (proximity to work and supports, suitable space for the family type, etc.).

Cost increases and growing gap between rents for turned-over and occupied units create challenges for maintenance and reinvestment

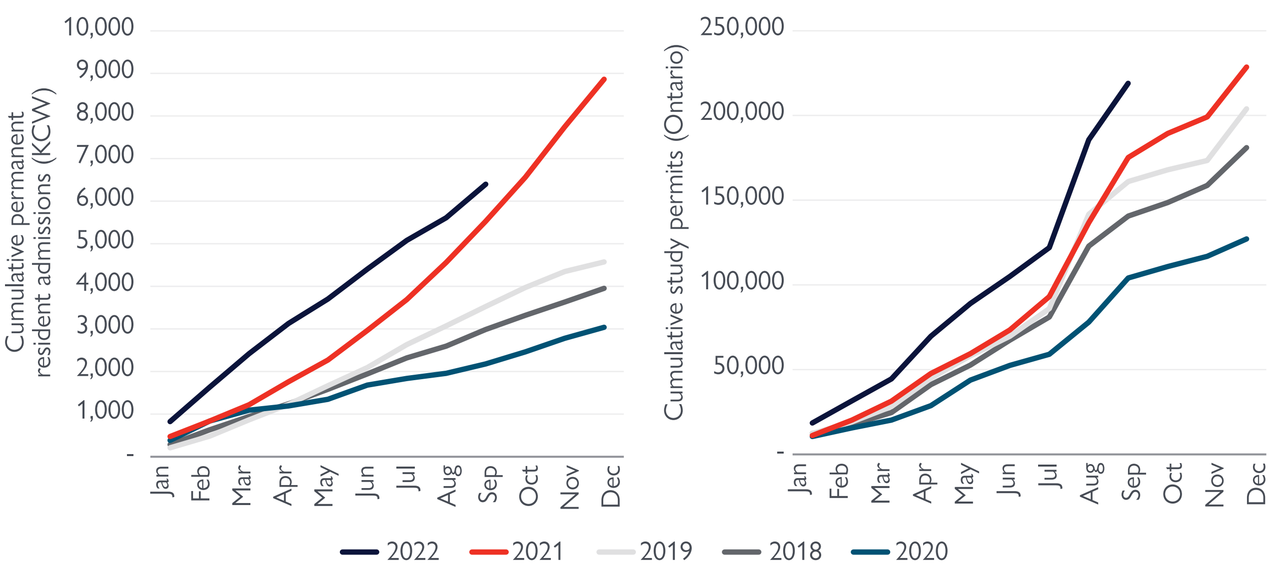
Inflation and rising interest rates are increasing landlord costs, some of which will be passed on to renters through increased rents. Cost inflation and a growing rent gap between units that turned over to a new tenant and those that remained continuously occupied is likely to cause challenges in terms of maintenance and reinvestment in properties. Market participants shared that these cost pressures resulted in an increasing number of applications to the Landlord and Tenant Board for "above-guideline increases."

Resurgent immigration, non-permanent residents, and the return of students major demand drivers

The return of international migration and students to the classroom was of particular importance in the tightening KCW rental market. Ontario has seen a strong rebound of immigration non-permanent residents and study permits in 2021–2022. These patterns were likely reflected in KCW, where non-permanent residents are a large source of rental demand. Furthermore, KCW has, in 2022, seen a surge in permanent-resident admissions, surpassing levels in 2021 (a record year).

Post-pandemic adjustments in the student rental market have continued in 2022, contributing to increased demand. These adjustments include the resumption of in-person studies and the ability of graduating and work-term students to remain local for longer due to work-from-home arrangements. While these adjustments are likely to have a diminishing effect over time, market intelligence suggests that they haven't yet fully played out.

Figure 2 **Historically high rates of immigration and the return of students contribute to strong rental demand**



Source: IRCC Monthly Updates

Relatively strong employment growth in high-wage industries likely contributed to demand for high-end units

Employment grew in KCW from October 2021 to October 2022, with almost 10,000 more jobs (3% growth compared to Toronto's 0.8%).[1] Employment growth was led by the high-wage professional, scientific and technical services industry. This growth likely contributed to stronger demand for higher-end purpose-built and condominium rental units.

High costs of homeownership may have discouraged potential buyers

Sharply rising interest rates meant that the mortgage payment on an average-priced home increased between October 2021 and 2022. This is true even though average sale prices have fallen.[2] Continued unaffordability in the homeownership market may have caused some renters who considered buying to remain renters, reducing turnover and increasing rental demand. Lower sales activity was suggestive of this phenomenon.

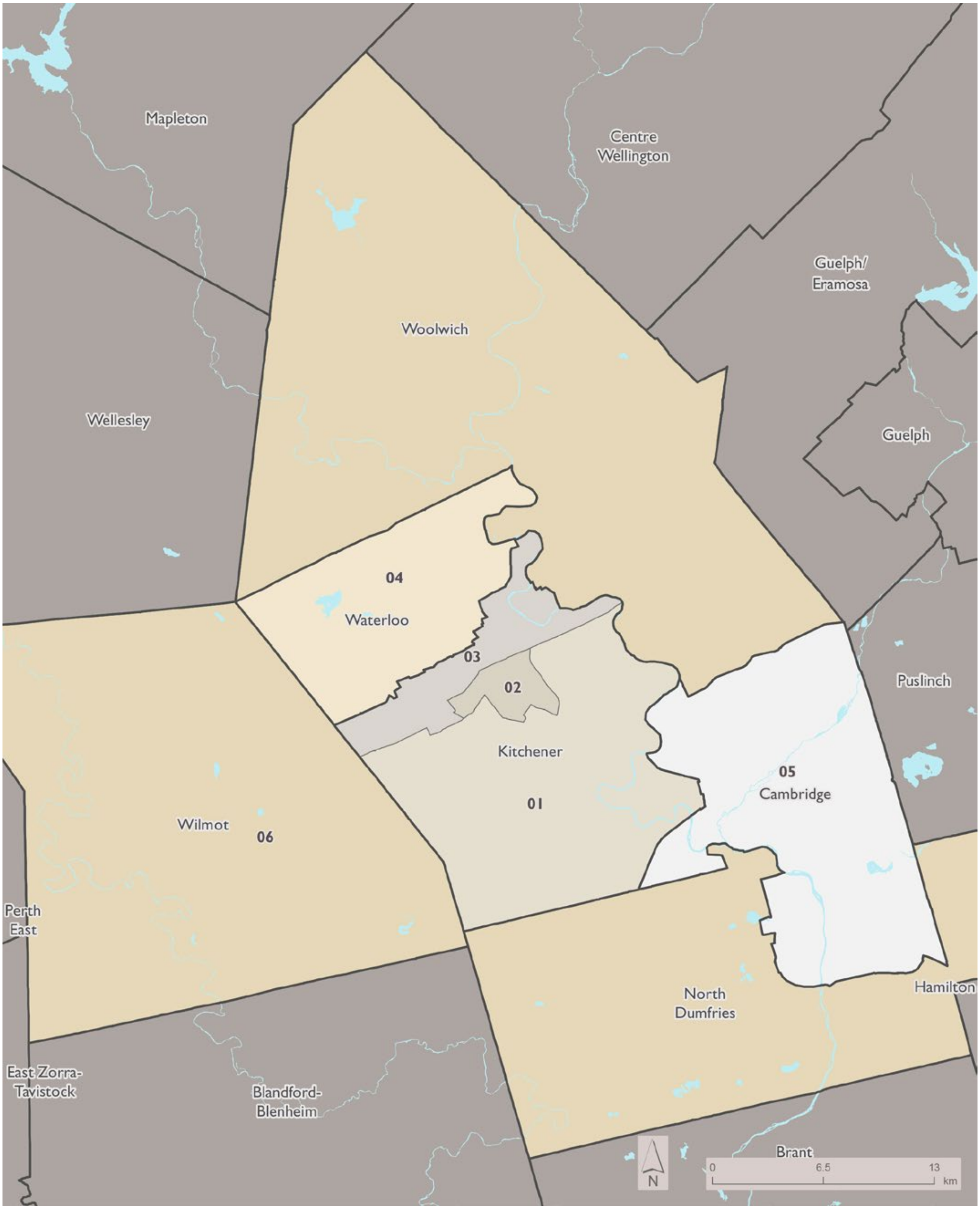
Moderate increases to rental supply, but historically high number of units under construction

The level of rental units under construction remained elevated, with record highs seen this year. Despite this, net universe additions between the 2021 and 2022 surveys were only 499 units, less than the average increase over the last 10 years (table 3.1.3). These additions were primarily in Kitchener and Waterloo and were driven by increases in 200+ and 50-to-199-unit structures. Additionally, there were approximately 650 additional rental condominiums. The relatively low level of supply added in the previous year likely did little to dampen the effects of strong increases in demand.

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 Statistics Canada, Labour Force Survey, Table 14-10-0379-01 (https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1410037901)

2 MLS®, Canadian Real Estate Association; MLS® is a registered trademark of the Canadian Real Estate Association


Mapleton
Centre
Wellington
Guelph/
Eramosa
Woolwich
Wellesley
Guelph
04
Waterloo
03
02
Puslinch
Kitchener
05
Cambridge
01
Wilmot
06
Perth
East
Hamilton
North
Dumfries
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
2.4%	$1,295
	UP by **

**Data Supressed.

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 increased as demand decreased faster than supply. Affordability continues to be an issue."

Olga Golozub
Senior Analyst, Economics

MARKET INSIGHTS

HIGHLIGHTS

The vacancy rate of purpose-built rental apartments increased to 2.4% due to lower demand.

The rental apartment universe contracted by 3.2% in the city of Belleville but remained unchanged in the city of Quinte West.

Access to an adequate supply of affordable rental housing continues to be a challenge for households at the lower end of the income spectrum.

Rent growth was strong at 6.6% despite higher vacancy.

Vacancy rate moved higher in 2022 after significant market tightening the year before

After significant tightening of rental market conditions in 2021, the vacancy rate in the Belleville census metropolitan area (CMA) increased to 2.4% in 2022 from 1.7% in 2021 (table 1.1.1). Still, it remained well below its 10-year average of 3.3%, prolonging relatively tight rental market conditions.

Less demand from young renters despite improved labour market conditions

As the local economy reopened, labour market conditions improved to the end of the survey period in October 2022. From October 2021 to October 2022, 10,000 jobs were added in the Belleville CMA. Please refer to the national section of the report for the most recent economic developments. However, the pace of recovery hasn't been uniform across all sectors and demographic groups. The employment level for youth aged 15 to 24 was down by almost half in October 2022 compared to a year before.

Some businesses in the retail, hospitality and food service industries were the hardest hit by the pandemic. Many faced reduced foot traffic and higher operating expenses, and some ceased their operations. As a result, some young people likely left the region to seek employment elsewhere. Others, with scarce employment options and a limited ability to enter the rental market, stayed with their parents, lowering rental demand pressure.

Significant differences emerged between the cities of Belleville and Quinte West

A difference in vacancy rates was observed between the cities of Belleville and Quinte West. In Belleville, the vacancy rate increased from 1.6% in 2021 to 2.5% in 2022. Decreased pressure on rental demand led to a 4% drop in the number of occupied units. The vacancy rate moved higher for 1- and 2-bedroom apartments despite a significant contraction of the rental universe for these unit types.

In October 2022, the city of Belleville's primary rental market universe was 3.2% smaller than in 2021. It was also almost 4% smaller than its peak in 2020. In 2022, rental units were taken off the market both temporarily and permanently. The temporary removal of rental units was done for a variety of reasons, including renovations and occupancy by owner. Permanent removals include demolitions and conversions to other uses.

The decline in the rental universe was partially offset by 103 new rental apartment completions. These 103 units were completed after the 2022 Rental Market Survey (RMS) cut-off date and, therefore, weren't included in the 2022 RMS universe. These new units likely put upward pressure on the vacancy rates of existing structures, since the absorption of the new units started before CMHC conducted its 2022 Rental Market Survey.

In the city of Quinte West, the number of occupied units and the size of the purpose-built universe remained virtually unchanged from 2021. The vacancy rate therefore remained stable at 2.3% in 2022. This is considered to be statistically unchanged from the rate of 2% recorded in 2021.

Limited options for those in the lower income quintiles

Table 3.1.8 quantifies the challenges renter households in the lower income quintiles face in finding market rental accommodation. We estimate that less than 28% of the CMA's rental stock would be affordable to renter households in the first 40% of the income distribution (income under $40,000 per year).

A monthly rent of less than $1,000 would be affordable to this group. Yet, the vacancy rate for units in this rent range was well below average and stood at 0.8%. Households earning between $40,000 and $59,000 per year are able to access accommodations in the broader housing spectrum. The vacancy rate for units that would be affordable to them is around 2.7%.

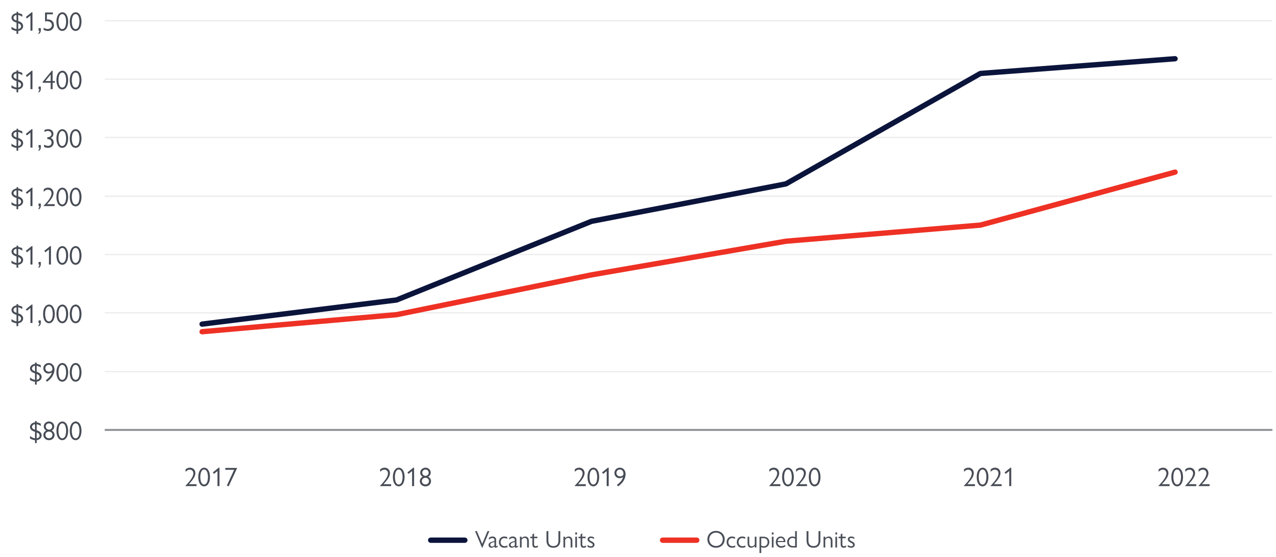
Average rents continued to rise at turnover to new tenants

Despite higher vacancy, the same-sample percentage increase in the average rent for all unit types was 6.6%. This growth was driven by rents for units that were turned over to new tenants. However, the rate is also heavily affected by longer-term tenancies. Tenants who remain in the same unit only face rent increases in line with the Ontario rent guidelines.

To isolate the effect of long-term tenancies, we provided a new table on the average rent for 2-bedroom units that turned over and units that didn't. Our comparison was based on structures that were common to both the 2021 and 2022 Rental Market Surveys (table 6.0).

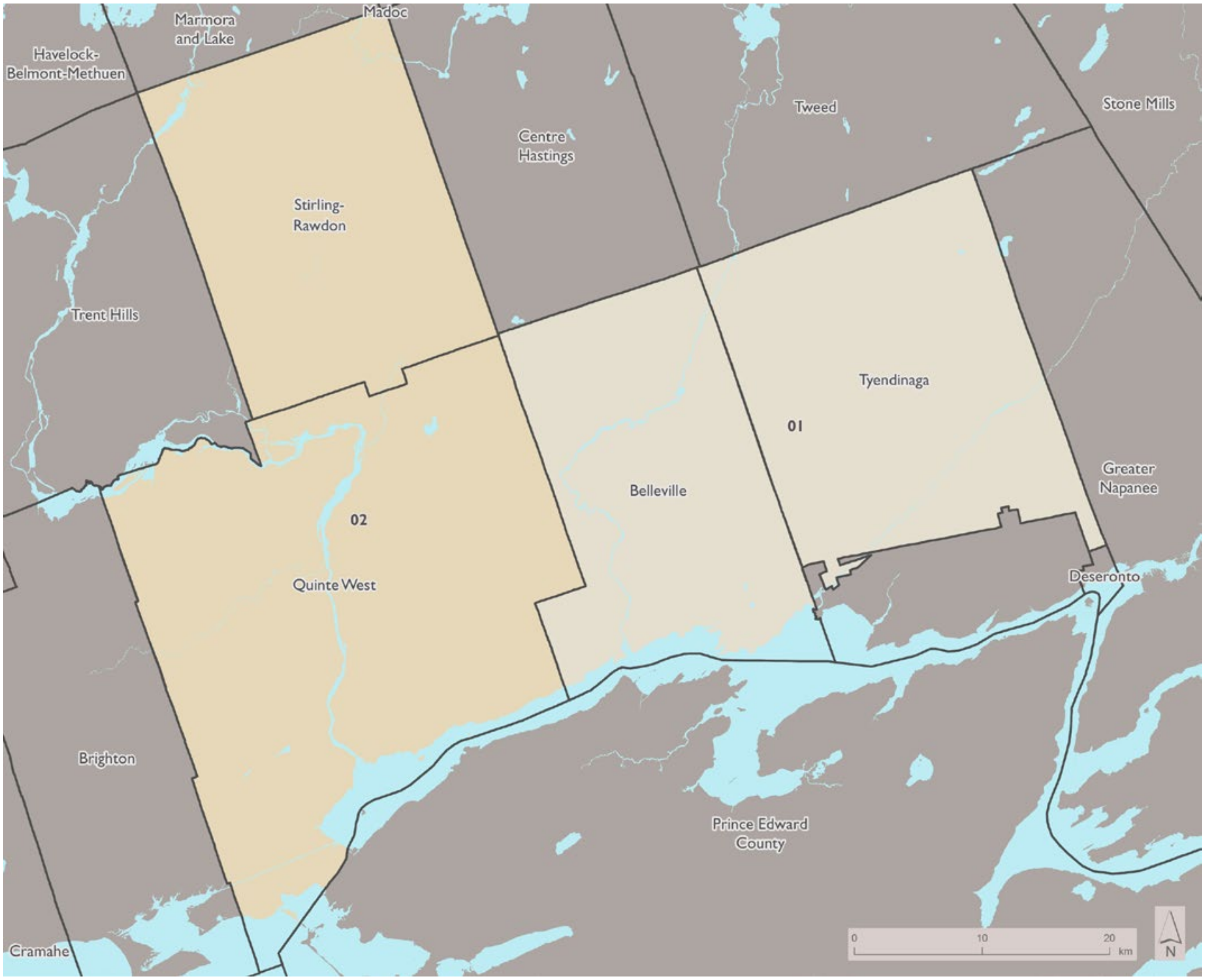
The 38% increase in the number of vacant units prompted additional competition among the units. This kept the average asking rent for vacant apartments somewhat similar to 2021. Still, it remained 15.6% higher than the average rent paid for occupied units (figure 1).

Figure 1 **Rent of vacant apartment units 15.6% higher than rent of occupied units, all bedroom types, Belleville CMA ($)**



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	Average Two-Bedroom Rent
1.1%	$1,339
	UP by 5.4%

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

"Tight rental market conditions persisted in 2022 despite the 15-year-high increase in rental supply."

Olga Golozub
Senior Analyst, Economics

MARKET INSIGHTS

HIGHLIGHTS

The vacancy rate for purpose-built rental apartments was 1.1% in October 2022, statistically unchanged from 1% in 2021. The vacancy rate stabilized because rental demand kept pace with supply growth in 2022.

Tight rental market conditions amplified the challenges faced by renter household. The rent for 2-bedroom apartments that turned over to new tenants increased by 23%, on average.

Peterborough had the lowest vacancy rate in Ontario for 2 years in a row, despite a large expansion of the rental universe in 2022.

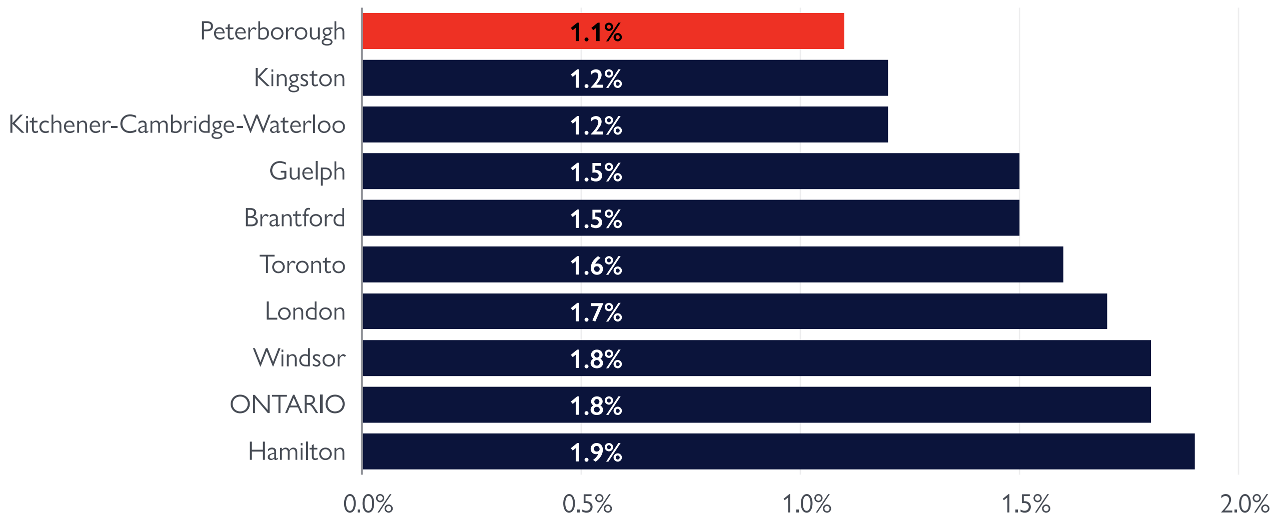
Improved economic and demographic conditions for renters, like recovery in employment and renewed student inflows, supported demand.

Peterborough rental market remained the tightest in Ontario

The average vacancy rate for purpose-built rental apartments in the Peterborough census metropolitan area (CMA) remained stable at 1.1% in 2022. For the second consecutive year, the vacancy rate remained the lowest among all major centres in Ontario, prolonging tight rental market conditions (figure 1).

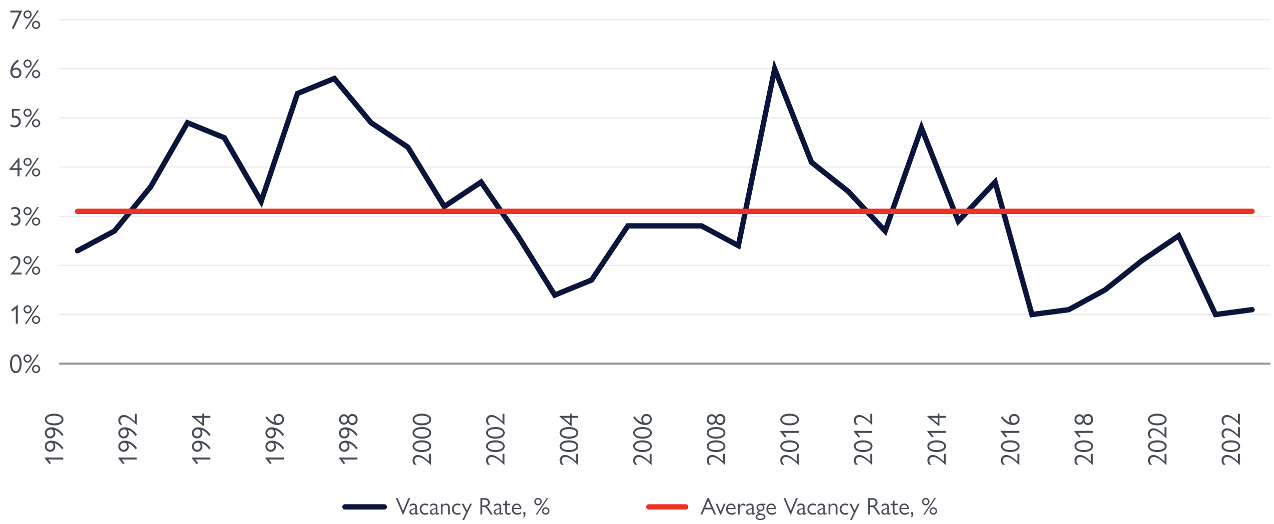
This lack of movement in the vacancy rate echoed the 2016–2017 period. During that time, the vacancy rate dropped to 1%, its lowest level in 30 years, and stayed at that level for another year. Five years later, in 2021 and 2022, it returned to its lowest level, suggesting a persistent supply-to-demand challenge. All in all, the vacancy rate has remained below its long-run average of 3.1% over the past 7 years (figure 2).

Figure 1 Peterborough 2022 vacancy rate lowest among Ontario CMAs



Source: CMHC

Figure 2 Peterborough vacancy rate below its long-time average for past 7 years



Source: CMHC

The current stability in the apartment vacancy rate resulted from a similar rate of growth in both occupancy and the rental apartment universe. Among all unit types, only 3+ bedroom units saw a statistically significant decline in their vacancy rate. It was down to 0% in both submarkets: Zone 1 — Downtown, and Zone 2 – Remainder of CMA. The vacancy rate for 1- and 2-bedroom apartments remained unchanged despite a considerable expansion of the universe for these unit types, signalling strong demand.

Largest supply increase in the last 15 years

The CMA's total apartment universe count increased by nearly 170 units or 2.8%, marking the largest annual increase since 2007. Most of the additional supply came from newly completed units located in Peterborough Downtown. In this zone, the universe grew for units of all bedroom counts. However, most of the increase occurred for 1- and 2-bedroom apartments (table 3.1.7).

In Zone 2 – Remainder of CMA, the increase was not new supply. Rather, it was caused by the return of units temporarily removed from the universe in previous years.

Despite a strong increase in supply, the rental market remained tight in both submarkets. Their vacancy rates both neared 1%.

Demand increased at the same rate as supply

The 2.8% increase in rental supply was met by equally strong growth in demand. Approximately 160 more units were occupied in October 2022 compared to the year before. Demand varied by zone. The centrally located Zone 1 saw an estimated 4.3% increase in the number of occupied units, the highest in the last decade.

This submarket benefits from a large student population. As post-secondary education returned to in-person learning, many students attending Trent University and Fleming College moved back to the region, adding to the demand for rental housing. This year's enrollment likely included more international students. Data from Immigration Refugees and Citizenship Canada (IRCC) shows that there were 20% more temporary residents living in Ontario on a study permit at the time of CMHC's survey compared to the year before.

Zone 2 experienced almost the same growth in demand as in 2021, about 1.3%. Improved demographic conditions supported rental demand. According to the 2021 Census, population growth in the Peterborough CMA occurred in the 25-to-44 age group. This was helped by a higher number of domestic migrants coming from other regions within Ontario (intraprovincial migration). It was also helped, to a smaller extent, by international migration. This age group, twice as large as the 15-to-24 age group, accounts for the greatest share of household formation. It also represents close to 37% of renter households in the region.

Improved labour market conditions also supported rental demand. Year-over-year growth in employment at the end of October 2022 was strong for all age groups.

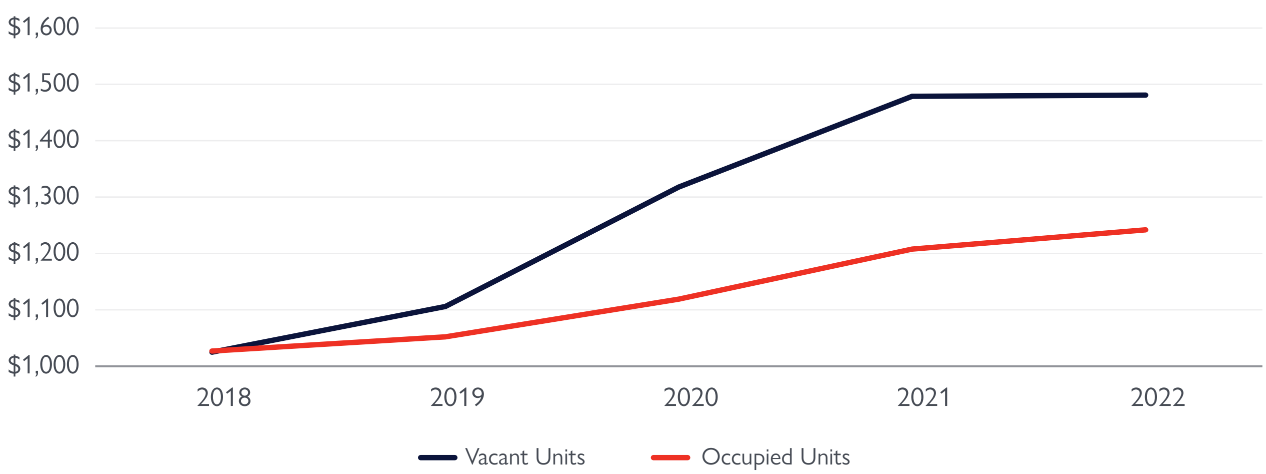
Average rents continued to rise

Same-sample average rent for a 2-bedroom apartment in the Peterborough CMA grew by 5.4%. This rate is heavily affected by longer-term tenancies, as Peterborough had one of the lowest turnover rates among Ontario CMAs, behind Oshawa (9.5%) (table 1.1.6). At the same time, this rent growth is also driven by rents for units that were turned over to new tenants.

To isolate the effect of long-term tenancies, we provided a new table on the average rent for 2-bedroom units that turned over and units that didn't. Our comparison was based on structures that were common to both the 2021 and 2022 Rental Market Surveys (table 6.0). Within the same structure, a 2-bedroom unit that turned over to a new tenant was, on average, 23% more expensive than one that didn't turn over (table 6.1). A combination of low vacancy rate and increased pent-up repair and renovation costs encouraged property owners to raise rents once units were vacant.

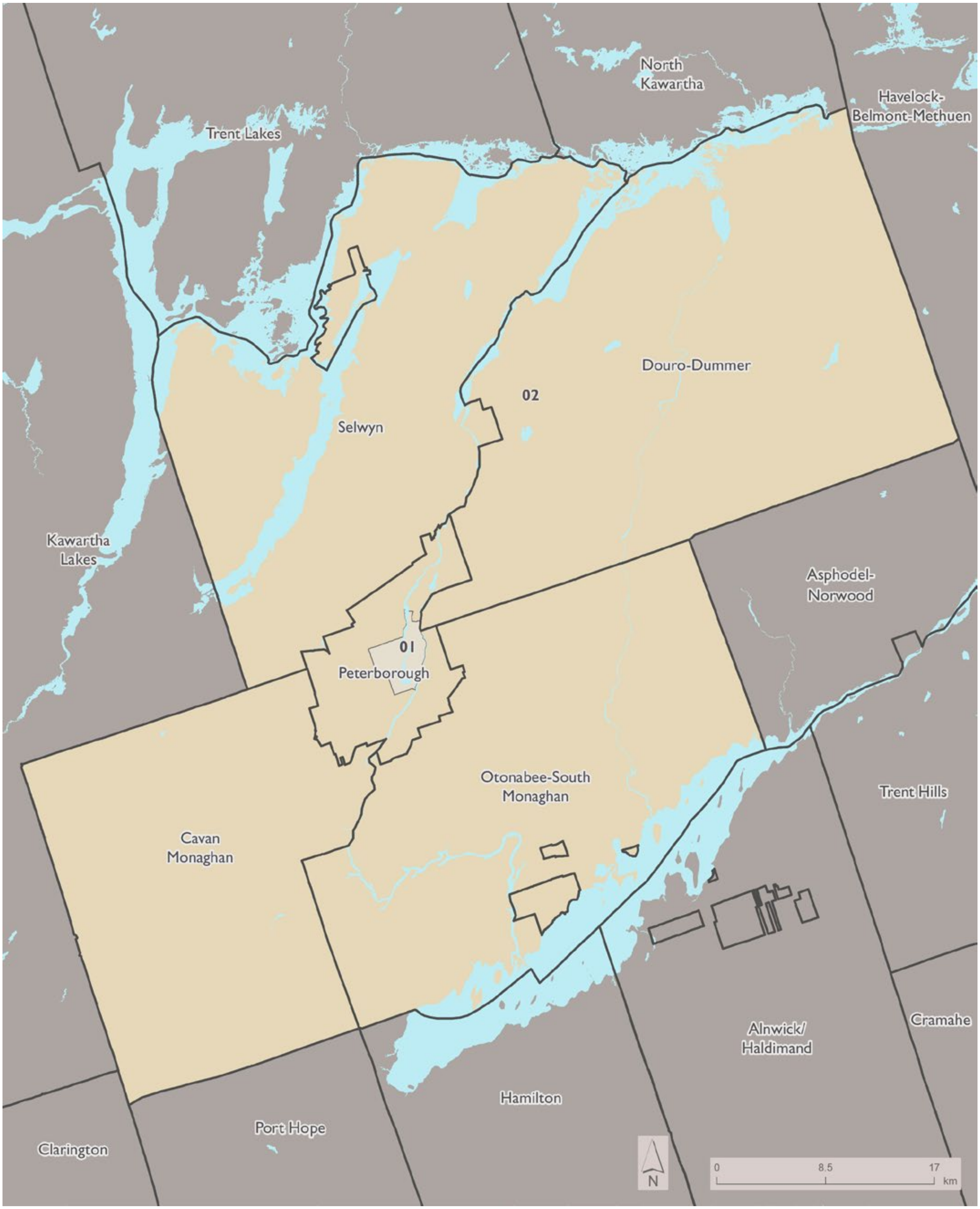
The average asking rent for vacant units remained similar to that recorded in 2021. However, it was 19.2% higher than the average rent paid for occupied units (table 1.1.9 and figure 3). Vacant units are likely getting absorbed by prospective tenants willing to relocate to smaller urban areas from larger cities, especially those who work from home. Increased competition resulted in 0 vacancies in rental buildings completed after 2005 (table 1.2.1). Newer structures with modern amenities were more attractive to tenants, even though rents in such structures were the highest (table 1.2.2).

Figure 3 **Rent of vacant apartment units 19% higher than rent of occupied units, all bedroom types, Peterborough CMA ($)**



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
1.8%	$1,197
	UP by 3.9%

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

The overall vacancy rate was at a historic low as growth in demand outpaced growth in supply."

Tad Mangwengwende
Senior Analyst, Economics

MARKET INSIGHTS

HIGHLIGHTS

The vacancy rate in Windsor hit a record low of 1.8%. Economic recovery and growth boosted demand against supply that was constrained by labour shortages.

Rents for vacant units were 20% higher than those for occupied units, highlighting an affordability barrier for prospective tenants.

Affordability remains a challenge for lower-income households that face very stiff competition for units they can afford. This is because those units are also accessible to higher-income households.

The vacancy rate is at a historic low

The overall apartment vacancy rate in the Windsor CMA is 1.8%. This is a record low, as shown in figure 1. There were declines in vacancies for all unit types (number of bedrooms). The overall rate in 2022 is the latest result in a declining trend from a peak of 14.5% in 2008. Declining vacancy rates over a sustained period reflect the increasingly tight rental market. In 2022, Windsor started seeing bidding wars on rental apartments for the first time. This was highlighted in conversations with stakeholders on emerging themes.

The low vacancy rate is the result of increasing rental unit demand coming up against limited rental unit supply. Fewer units are available to potential renters when more units are taken up than are made available.

Demand for rental units grew

Migration increased rental unit demand. Windsor's population grew by 1.2% in October 2022 year-over-year. The easing of pandemic restrictions at the start of the year brought back international migrants and temporary residents. At the University of Windsor, for example, the return to campus brought students back to the area.

Higher rental unit demand was supported by economic recovery and employment growth in sectors where the workers tend to be renters. Employment was 0.8% higher than a year ago. The opening of the US-Canada border earlier this year returned jobs that had been suspended by pandemic restrictions. In addition, capital projects such as the development of the Gordie Howe Bridge contributed to the area's demand for labour.

Supply remains tight

The rental apartment universe remained flat. This was the net result of the addition of new and renovated units and the removal of some bachelor and 1-bedroom apartments. Some units were temporarily removed for renovations while others were occupied by owners. Skilled-labour shortages constrained the market further by limiting the completion of new developments.

Higher homeownership costs kept more people in the rental market

Supply was also constrained by higher costs of homeownership. Higher interest rates increased borrowing costs, and this led to a reduction in the capacity of some households to enter the market. The impact of this was evident in the October 2022 MLS® sales, which were 37% below their 5-year average. Some renters who would have transitioned to homeownership remained in the rental market.

This was all reflected in lower rental-unit turnovers. In 2021, almost 17% of units turned over, while in 2022, only 13% of units did. There were lower turnovers recorded for all unit types across all zones of the CMA, revealing the widespread nature of the decline. This lower turnover meant that more than 600 units that would have been available if last year's turnover rates were maintained were not available on the market.

Average rents were up with significant differences between rents for occupied and vacant units

Same-sample average rents were up 3.6%. This was the result of the strong growth in demand coming up against limited supply. Vacant-unit rents were 20% higher than those for occupied units.

One of the consequences of a tight rental market is a greater disparity between the rents of occupied and vacant units. While the average 2-bedroom rent for occupied units was up 3.9% between 2021 and 2022, it was up 28% for unoccupied ones. This highlighted an affordability barrier faced by renters trying to enter the market or find new housing. These renters could have incomes that put prevailing average rents within their affordability limits, but they may struggle to afford the units that are available to them.

Lower-income households face an even tighter market

The rental market is particularly tight for lower-income households. The highest vacancy rate in the CMA is for units that would be affordable only to the top 2 income quintiles. Moreover, higher incomes do not prevent renters from competing for units below their affordability limit. As a result, there's stiff competition for the few units that are affordable to the lowest-income households.

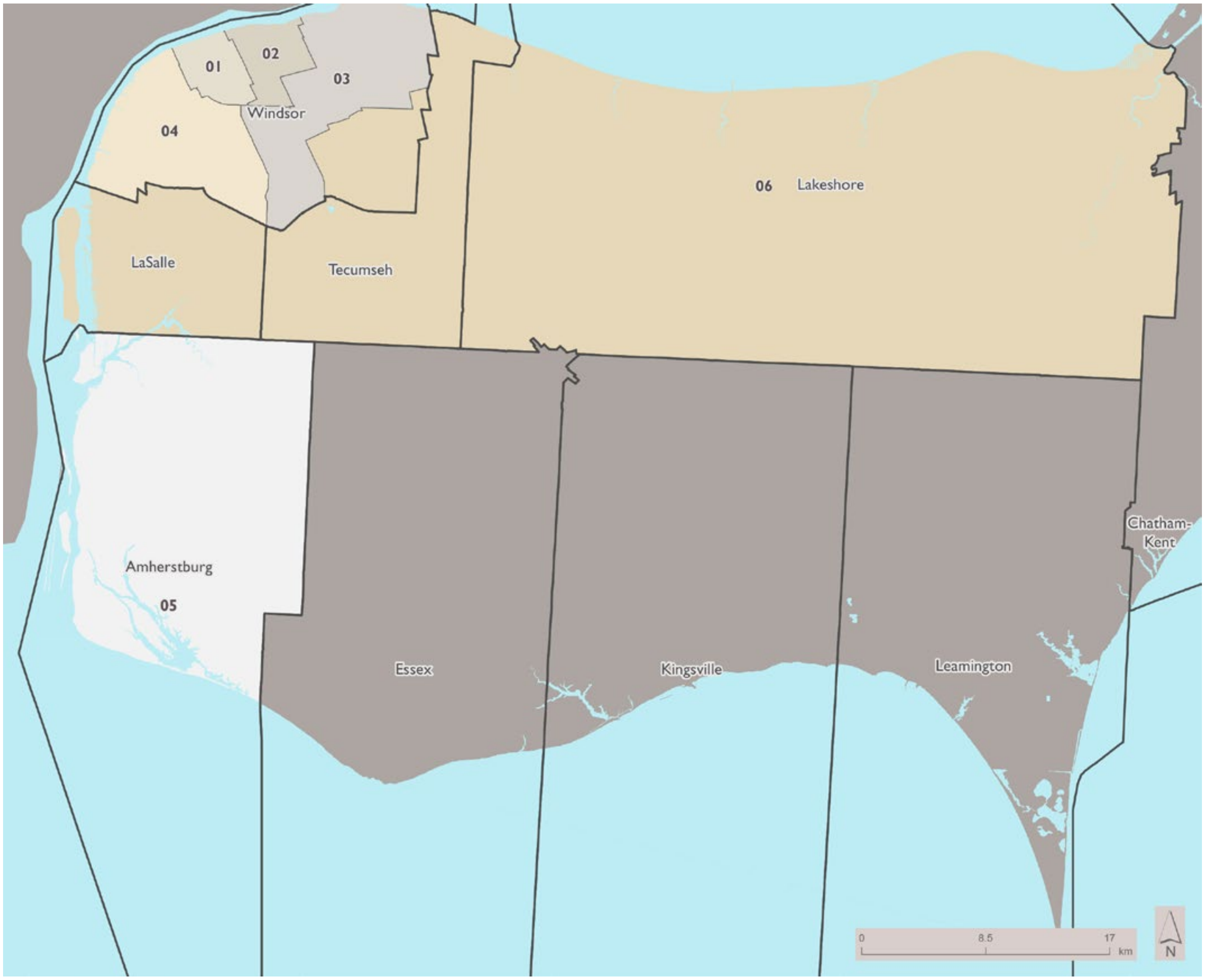
Getting to a less constrained market will require additional supply

Windsor expects to keep growing its population in the coming years as it addresses skilled labour shortages through migration. These migrants will need to be housed. The addition of large capital projects like the electric vehicle battery plant increases demand for both skilled labour and the housing those workers require.

Figure 1 Total vacancy rate at historic low

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 — Windsor CMA

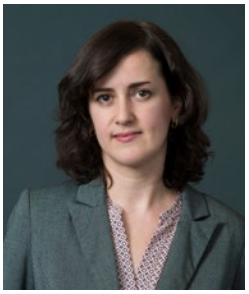
Zone 1	**Centre** - North: Detroit River; East: Pierre, Moy Parkwood; South: C.P. Rail, Ypres Blvd.; West: Conrail.
Zone 2	**East Inner** - North: Detroit River; East: Buckingham, Raymo, Norman, Chrysler; South: C.P. Rail, Tecumseh Rd; West: Zone 1.
Zone 3	**East Outer** - North: Detroit River; East: 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
2.8%	$1,260
	UP by 6.3%

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 largest supply increases in over 30 years helped to push the vacancy rate up by almost 1 percentage point, but didn't slow rent growth."

Inna Breidburg
Senior Analyst, Economics

MARKET INSIGHTS

HIGHLIGHTS

In 2022, rental supply increased faster than demand.

The vacancy rate for purpose-built rental apartment grew to 2.8% in October 2022. This was up from 1.9% in October 2021 and was aligned with the 10-year historical average.

The same-sample average apartment rent increased by 5.9%, the strongest rate of growth in over 30 years.

The gap between the average asking rent for vacant units and the rent paid for occupied units widened to 17.8%.

The number of affordable rental options declined. More tenants stayed put as the costs of changing rental accommodations increased.

Vacancy rate is up as rental supply increased faster than demand

The average vacancy rate for purpose-built rental apartments in the St. Catharines-Niagara census metropolitan area (CMA) was 2.8% in October 2022. While higher than the rate of 1.9% recorded in October 2021, it aligned with the 10-year historical average. Greater rental demand was driven by stronger employment and migration, as well as higher mortgage rates that kept more households in rentals. Supply increases were more significant, resulting in higher vacancy rates than in 2021.

Largest supply increases in 30 years

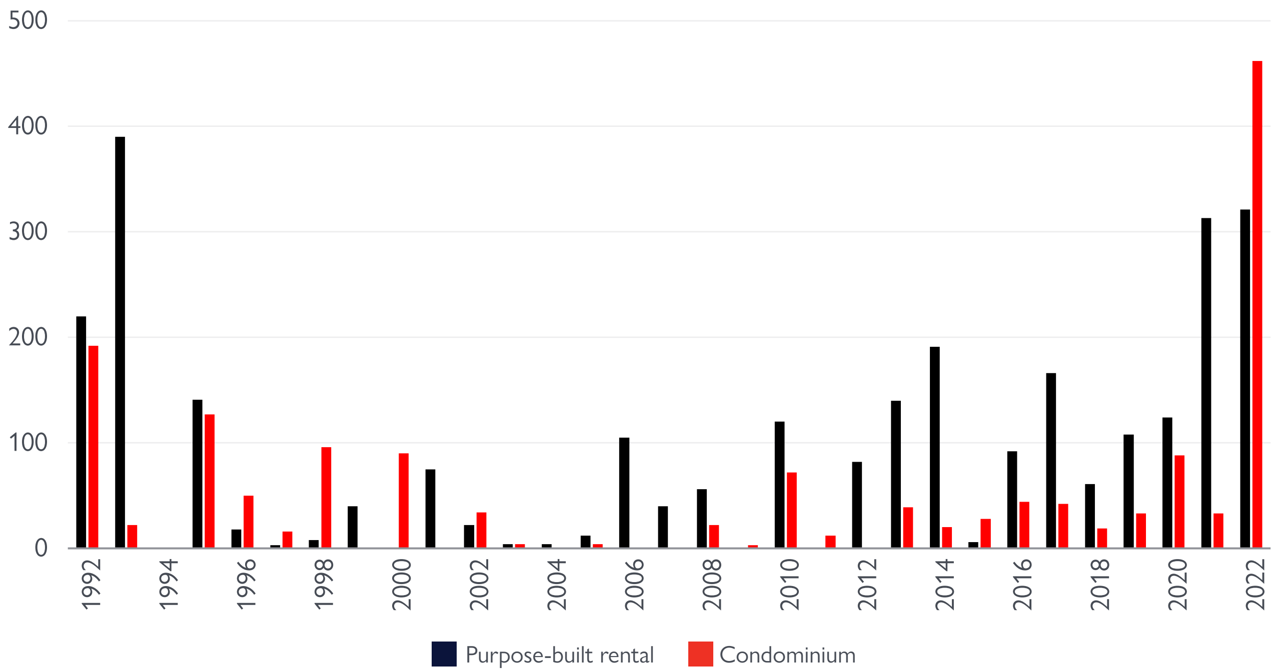
Over the 12-month period ending June 30, 2022 (the cut-off date for the survey), 321 new purpose-built rental apartments were completed—the highest number since the early 1990s. When accounting for existing units being removed from the universe[1] and old projects resuming operations, the net increase of 283 units, or 1.8%, was significant.

New rental apartments are in high demand. Historically, this has been evidenced by their lower-than-average vacancy rates. However, it takes time to rent them out. With the rent premium for new accommodations increasing in 2022, the absorption phase may stretch. Because most projects were completed in the second half of the survey year, they were still in their absorption phase in October 2022.

Furthermore, the number of condominium apartments completed over the survey year was 462—a 30-year high. Some condominium apartments are rented out by investors and owners who don't live in their units. There is no data available on this activity in St. Catharines-Niagara. In nearby Hamilton and Toronto, the share of rented condominium apartments as part of the total condominium apartment stock in 2022 was 25% and 37%, respectively. The newly completed condominium apartments in St. Catharines-Niagara likely contributed to the increase of rental supply.

[1] Due to reasons such as demolition, renovations, and conversions to ownership.

Figure 1 Apartment completions at 30-year high



Source: CMHC
Completions over the 12 months period between July 1 and June 30.

Additionally, 319 purpose-built rental and 205 condominium apartments were completed between July 1, 2022, and October 2022. These units weren't included in the survey, but could have been available for rent when it was conducted. These projects satisfied some of the rental demand.

Finally, Brock University completed construction of a 308-bed student residence in 2022. The new facility attracted new and existing students. This translated to higher turnover and vacancy rates in some parts of St. Catharines.

Higher rental demand amid stronger employment, income, and demographic conditions

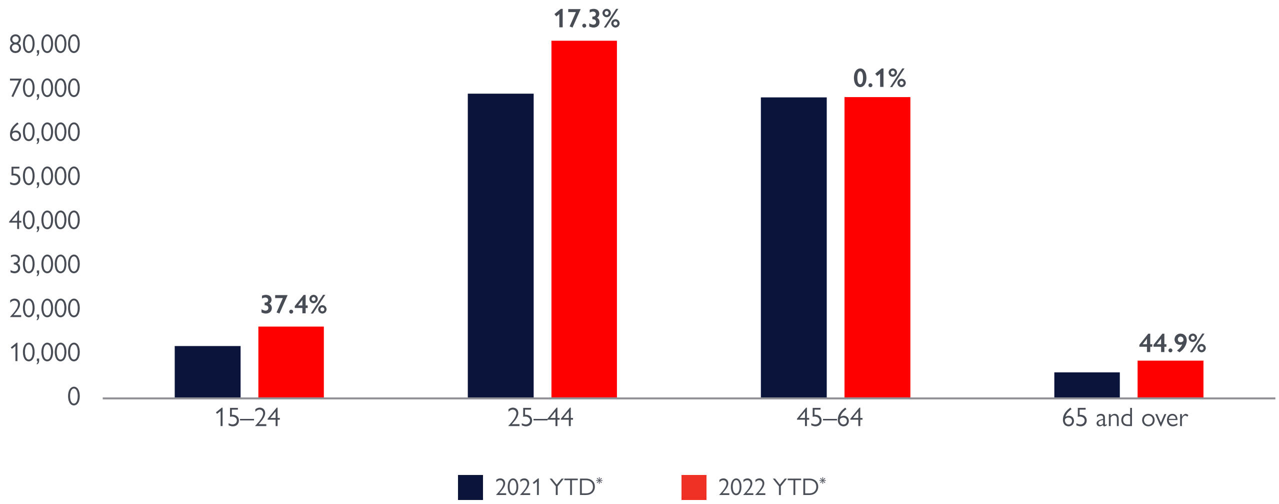
Amid stronger rental demand, the number of occupied rental apartments grew by 129 units, or 0.8%.

One of the key sources of rental demand was newly formed households headed by younger adults. Year-to-date[2], the population of those aged 15 to 24 and 25 to 44 increased by 3.2% and 5.7%, respectively.

The economy in St. Catharines-Niagara bounced back. Compared to 2021, year-to-date full-time employment in the 15-to-24 and 25-to-44 age groups was up by 37.4% and 17.3%, respectively. Employment gains were concentrated in the higher-paying service industries, which provided new renters with the financial ability to pay for their accommodations.

[2] January to September.

Figure 2 Full-time employment growth supports renter household formation



Source: Statistics Canada Labour Force Survey
*YTD (Year-to-Date) refers to January to September.

Another source of new renter demand was immigration. Year-to-date[3], 2,225 permanent residency visas were granted in St. Catharines-Niagara,[4] up 23% from 2021. While some of the recipients were already in Canada, the majority were new immigrants. Typically, newcomers rent before purchasing a home.

With post-secondary institutions offering in-person classes, there were 25% more international students who received study permits in Ontario this year. Higher education in St. Catharines-Niagara remains attractive to international students, who typically rent while studying.

Slower transition to homeownership

Fewer renters became homeowners in 2022. As COVID-19—related restrictions eased, and schools and offices reopened, the need for larger living spaces and backyards became less crucial. This slowed transition to homeownership. Additionally, rising mortgage rates kept more tenants in the rental market despite the declining home prices seen in the second half of 2022.

Fewer affordable rental options

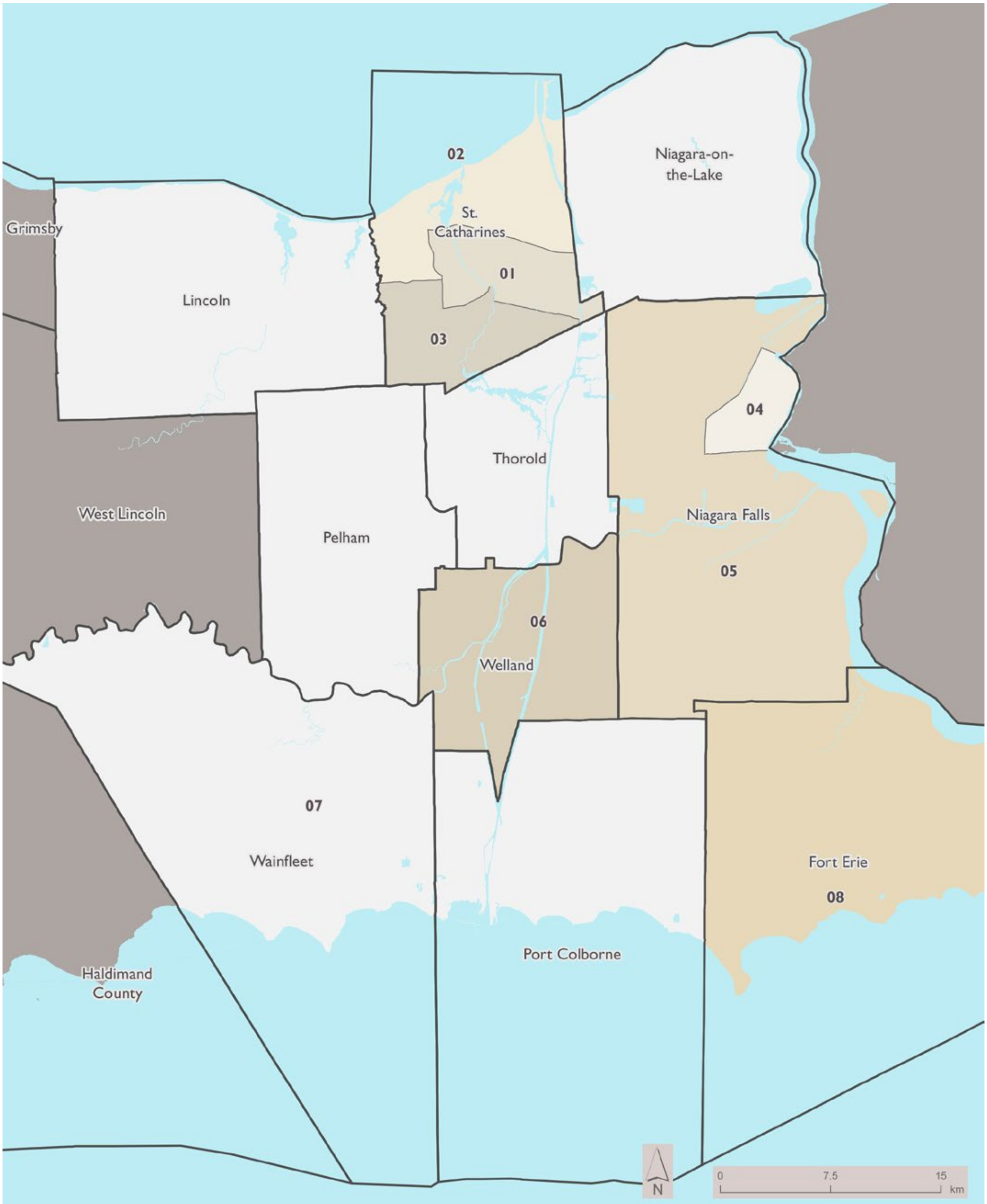
The higher vacancy rate didn't tame rent growth. The same-sample average rent grew by 5.9%, the fastest rate in over 30 years. The average asking rent for vacant units was almost 18% higher than the overall average rent for occupied units. The disparities in rents faced by prospective tenants were particularly large for 1- and 3-bedroom units, which reached 26% and 33%, respectively.

More tenants stayed put to avoid facing higher rents. The rental universe and vacancy rates in the lower rent ranges declined, leaving lower-income households with fewer options.

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.

[3] January to September.

[4] IRCC (Immigration Refugees and Citizenship Canada).


02
Niagara-on-the-Lake
St. Catharines
Grimsby
01
Lincoln
03
04
Thorold
West Lincoln
Niagara Falls
Pelham
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
1.7%	$1,393
	UP by 5.8%

CONDOMINIUM APARTMENT MARKET

Vacancy Rate	Average Two-Bedroom Rent
0.9%	$**

**Data supressed.

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 lowest vacancy rate in London since 2001 contributed to a substantial increase in rents, particularly for turned-over units."

Musawer Muhtaj
Senior Analyst, Economics

MARKET INSIGHTS

HIGHLIGHTS

Demand for purpose-built rental apartments outpaced the increase in new supply, pushing the vacancy rate down to 1.7% in October 2022.

Strong rental demand and high carrying costs contributed to an average rent increase of 25.7% for 2-bedroom units that turned over to a new tenant.

The average rent of a 2-bedroom turned-over unit ($1,664) was unaffordable to 60% of renter households in the London CMA.

Overall vacancy rate drops to its second-lowest level on record

The London census metropolitan area's (CMA) purpose-built rental market tightened in 2022 as demand for rental apartments outpaced the increase in new supply. The region's overall vacancy rate for purpose-built rental apartments fell to 1.7% in October 2022, the second-lowest level on record. Conversely, vacancy rates in 2 zones, St. Thomas and Strathroy Caradoc, increased to 2.9% and 3.6%, respectively.

After accounting for renovations, demolitions, conversions, changes to existing structures, and new construction, the purpose-built rental apartment universe grew by 564 units, or 1.2%. This wasn't enough to meet demand, as the number of occupied apartment units grew by 649 units, or 1.4%.

St. Thomas accounted for about 28% (160 units) of the universe's total net increase, resulting in its supply growing by 6.1%. Demand could not keep pace, growing by 4.2% (110 units), pushing the vacancy rate up.

Immigration, students, and homeownership costs were key factors supporting rental demand

Data from Immigration, Refugees and Citizenship Canada (IRCC) suggests there were 4,475 total permanent resident admissions to the London CMA in the first 3 quarters of 2022. This was about 10% more than in 2021. It was also 9% more than the combined number of permanent resident admissions in 2019 and 2020 over the same period.

As in other regions across Canada, fewer renters likely transitioned to homeownership, due to higher mortgage carrying costs (refer to national section for details).

Since the London CMA is home to 2 post-secondary institutions, students are always a key driver of rental demand. The largest vacancy rate declines in the city of London were in Zones 4 and 8 (Northwest and East). Because these zones are close to Western University and Fanshawe College, their lower vacancy rates suggest a larger student presence this year.

Employment was healthier compared to last year, also supporting demand. Employment of the 25-44 age cohort was up 7% year-over-year in October 2022.

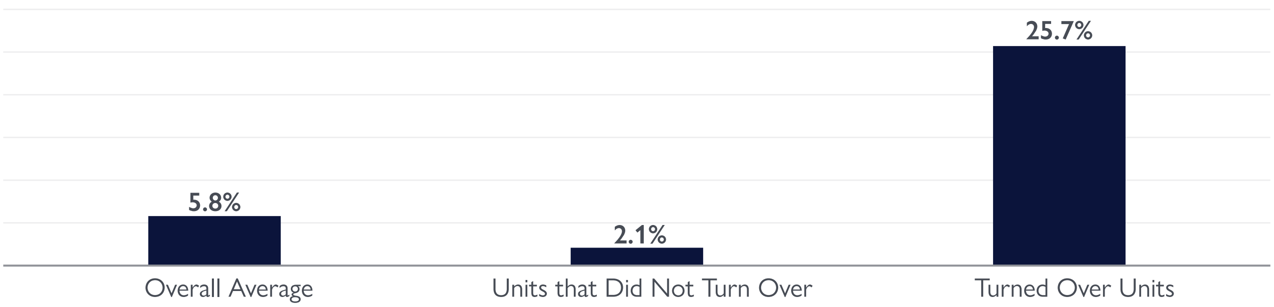
Rents at turnover increased substantially

The average rent for a 2-bedroom purpose-built apartment unit in London was $1,393, up 5.8% from the previous year. This average includes rents for both units that did and did not turn over to a new tenant. Rent increases can be significantly different for each group. Isolating rents for just turned-over units can give a better understanding of the experiences of renters who rented a new apartment.

According to new data published in this year's survey, the average rent of 2-bedroom units that turned over was $1,664. In comparison, the average rent of 2-bedroom units that did not turn over was $1,296.

Strong rental demand contributed to a substantial increase in rents, particularly for turned-over units. The percentage change in rents for 2-bedroom units that turned over in 2022 and provided rent data in 2021 was 25.7%. The percentage change for units that did not turn over was 2.1% (figure 1).

Figure 1 Higher average rent increase in turned-over units, London CMA



Source: CMHC

Inflation likely also played a role in strong rent growth at turnover. Inflation increases landlords' carrying costs, which ultimately get passed on to the new tenant at turnover.

Rapid rent growth further challenges affordability

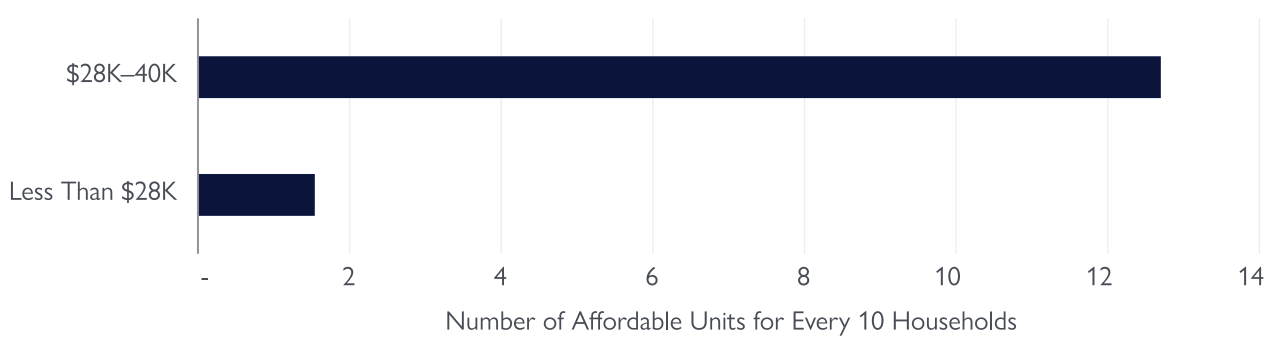
According to the monthly affordable rent ranges in table 3.1.8, turned-over units were unaffordable (rents above 30% of gross annual income) for most renter households. To afford the average rent of a 2-bedroom turned-over unit, a household required an annual income above $59,000. We estimate that 60% of renter households in the London CMA were below this income threshold.

Newer units were even less affordable. The average rent for a 2-bedroom unit in structures completed between July 2019 and June 2022 was $2,357 (table 3.1.7). As such, high rents may have enticed many renters to stay put, resulting in less turnover. The turnover rate for 2-bedroom apartment units in the London CMA fell by 4.5 percentage points to 13.6% in October 2022.

Current rent levels made it much more difficult for the lowest-income earners to find affordable housing. Estimates show that, for every 10 households earning less than $28,000, there were fewer than 2 affordable units in the universe (figure 2).

While the situation was considerably less difficult for households earning $28,000 to $40,000, options were still very limited after factoring in competition. For every 10 households earning $28,000 to $40,000, there were about 13 affordable units in the universe. These households would have to compete with those earning less than $28,000 due to the lack of supply available to them. It's also important to note that the vast majority of these units are already occupied.

Figure 2 Limited affordable housing options for lowest-income households, London CMA



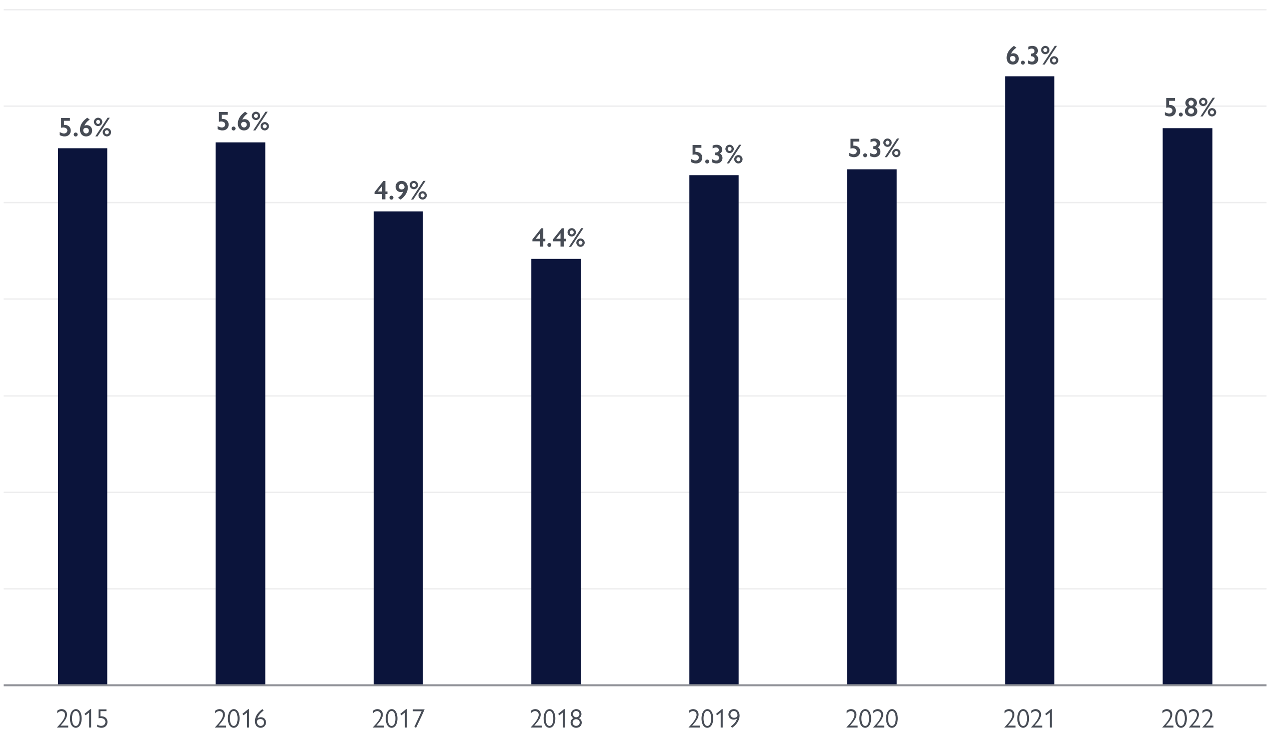
Source: CMHC

The condominium market's share of rental housing diminished in 2022

This past year, London's condominium market played a smaller role in the overall rental market. Rental condominium units accounted for 5.8% of all units in CMHC's total rental apartment universe (condominium + purpose-built), down from 6.3% last year (figure 3). This is due to there being 253 fewer condominium units on the rental market. Market intelligence suggests purpose-built apartments tend to be more popular with renters, since they provide long-term stability and have better management services.

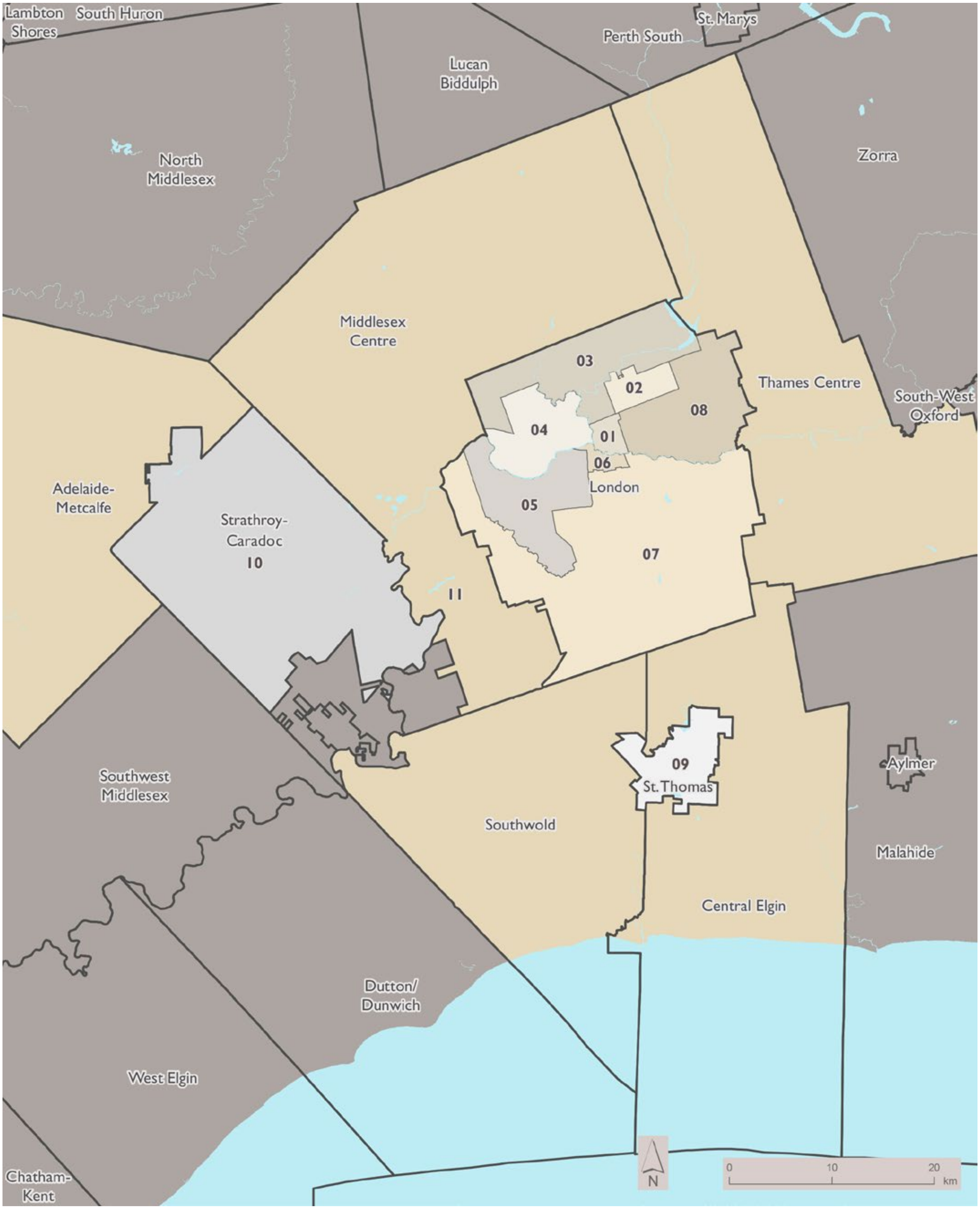
The vacancy rate increased slightly to 0.9% from 0.3%, likely owing to higher rents compared to the purpose-built rental market.

Figure 3 London's condominium market had smaller share of overall rental market in 2022



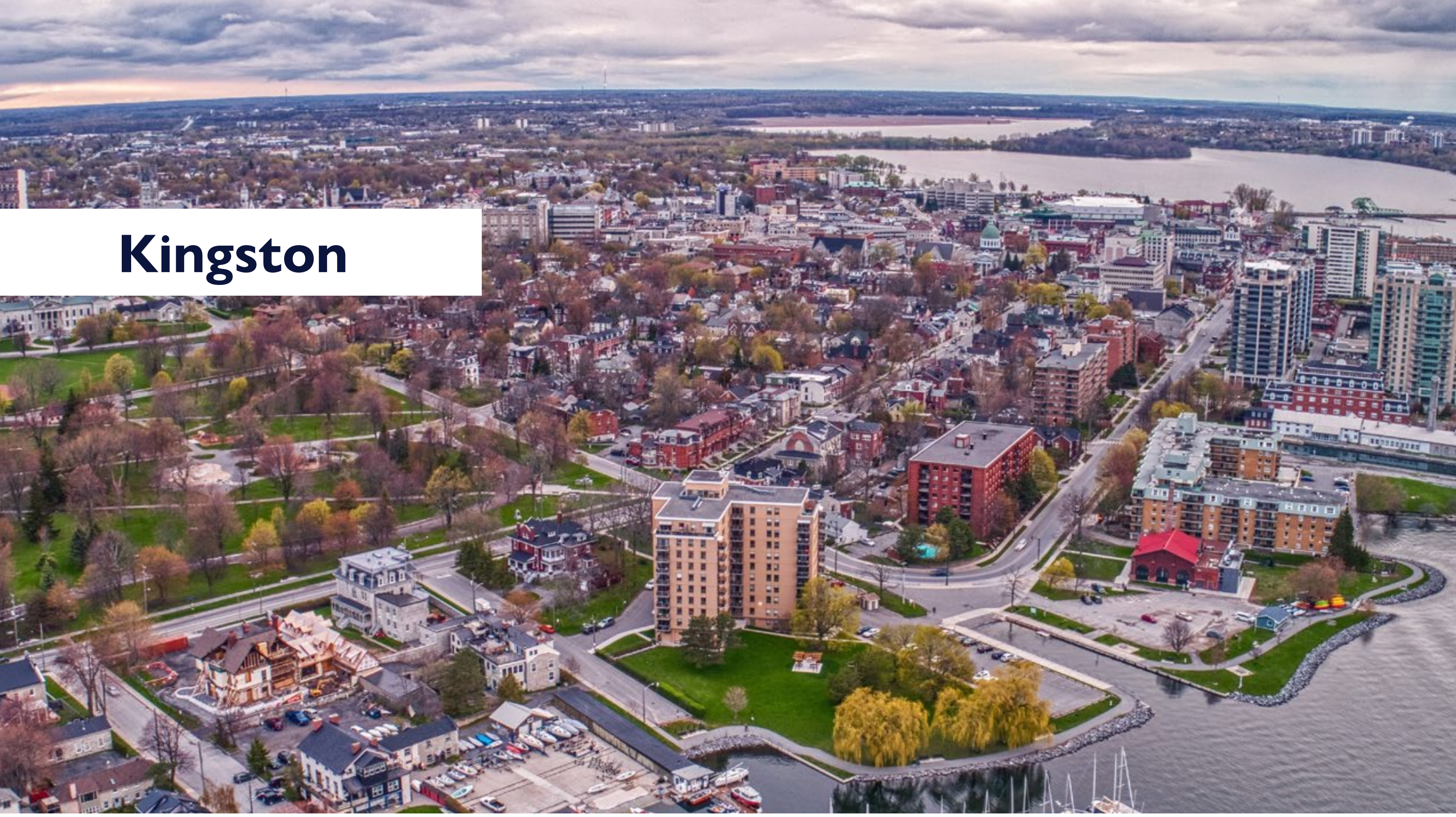
Source: CMHC

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
London
Adelaide-Metcalfe
Strathroy-Caradoc
10
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	Average Two-Bedroom Rent
1.2%	$1,471
	UP by 4.9%

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

"Tight rental market conditions persisted in Kingston this year, evidenced by a low vacancy rate and substantial rent increase at unit turnover."

Olga Golozub
Senior Analyst, Economics

MARKET INSIGHTS

HIGHLIGHTS

The vacancy rate for purpose-built rental apartments was 1.2% in October 2022, statistically unchanged from 1.4% in 2021. The vacancy rate stabilized because rental demand kept pace with supply growth in 2022.

Improved economic and demographic conditions for renters, like recovery in employment and renewed student inflows, supported demand.

Kingston had the second-lowest vacancy rate in Ontario for 2 years in a row, despite a large expansion of the rental universe in 2021 and 2022.

Despite strong growth in supply, the number of affordable rental options remained limited. The rent for 2-bedroom apartments that turned over to new tenants increased by 21.6%, on average, in 2022.

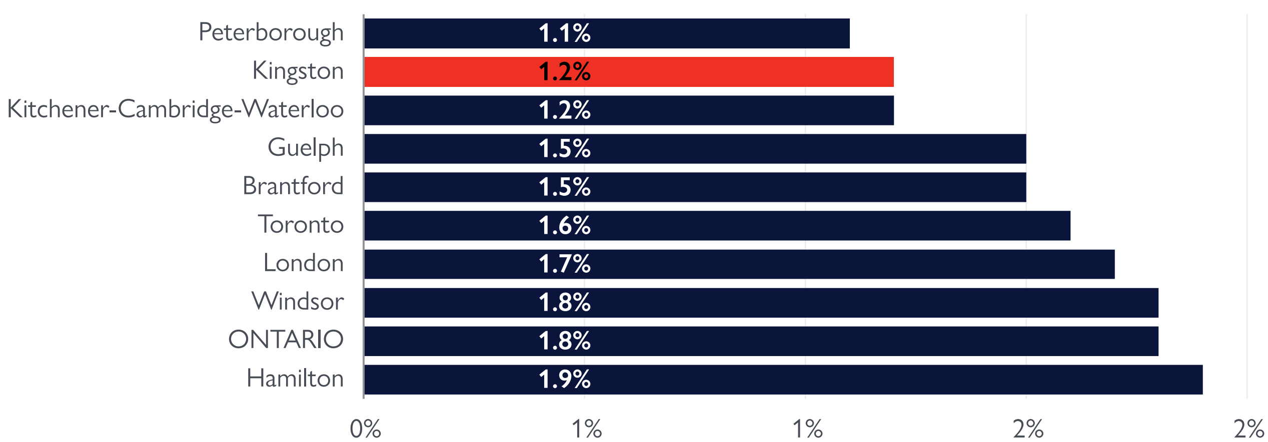
Vacancy rate held steady in 2022 following significant market tightening the year before

The vacancy rate for purpose-built rental apartments in the Kingston census metropolitan area (CMA) remained stable at 1.2% in October 2022. This is, statistically speaking, unchanged from 1.4% in 2021 (table 1.1.1). The stability in the apartment vacancy rate resulted from growth in both occupancy and the rental universe.

Among all unit types, the vacancy rate of 1-bedroom units saw a statistically significant decline in 2022. Meanwhile, the vacancy rates for 2- and 3-bedroom apartments remained unchanged despite a considerable expansion in the universe of these unit types.

At 1.2%, the Kingston vacancy rate remained the second-lowest among Ontario CMAs (figure 1). Tight market conditions persisted despite the above-average gains of rental supply in both 2021 and 2022, signalling strong demand for rental accommodation.

Figure 1 Kingston 2022 vacancy rate one of the lowest in Ontario



Source: CMHC

Largest increase in supply since 2004

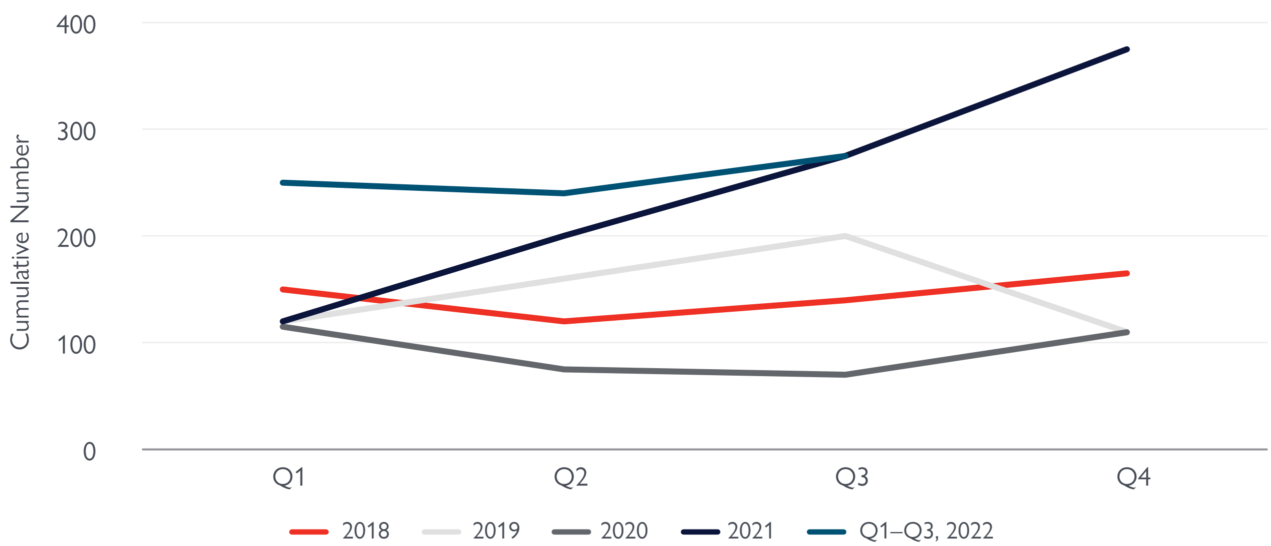
The CMA's apartment universe expanded by nearly 405 units (2.8%), the largest annual increase since 2004. The increase is a result of the elevated number of new rental units started over the past few years now coming to market. The universe grew for all unit types. Nearly 60% of the additions were newly completed units in Zones 1, 2 and 4. The rest was the return of units temporarily removed from the universe in previous years.

Increased in-migration and stronger labour market conditions contributed to greater demand

As local economies reopened, labour market conditions improved. In October 2022, overall employment was well above the pre-COVID-19 level. Employment for the 15-to-24 age group, members of which have a high propensity to rent, improved as well. According to the 2021 Census, the population of this age group grew in the Kingston CMA.

There were 30% more new permanent residents settled in the Kingston area in the first 3 quarters of 2022 than the same period last year (figure 2). In addition, strong growth in employment for those aged 25 to 44 brought a steady inflow of new tenants into rental housing. Students returning to Queen's University and St. Lawrence College also increased demand for rental accommodation.

Figure 2 **Higher number of permanent resident admissions to Kingston CMA in the first nine months of 2022**



Source: IRCC, September 30, 2022

Demand increased at similar rate as supply

Strong growth in rental supply was matched by an equally robust increase in demand. Approximately 430 more units (an increase of 3%) were occupied in October 2022 in the Kingston CMA.

The vacancy rate increased in Zone 2, but declined in Zones 3 and 4. The suburban Zone 4 had the tightest market conditions. There, the vacancy rate dropped to 0.6%, the lowest level in over 10 years. The vacancy rate declined even though most of the new rental supply has been located in this zone. Over the last 3 years, 635 units, or 89%, of the total new supply occurred in Zone 4 (table 3.1.7). This suggests that newer units with modern amenities were more attractive to tenants despite the high rents.

Recent rental construction activity in Zone 4 contrasts with that in Zone 3. During the last 3 years, no additions of new rental stock occurred in Zone 3. This zone has only seen the return of units temporarily removed from the universe in previous years. Increased competition alongside limited supply exerted downward pressure on the vacancy rate in Zone 3, which declined to 1.4% in October 2022.

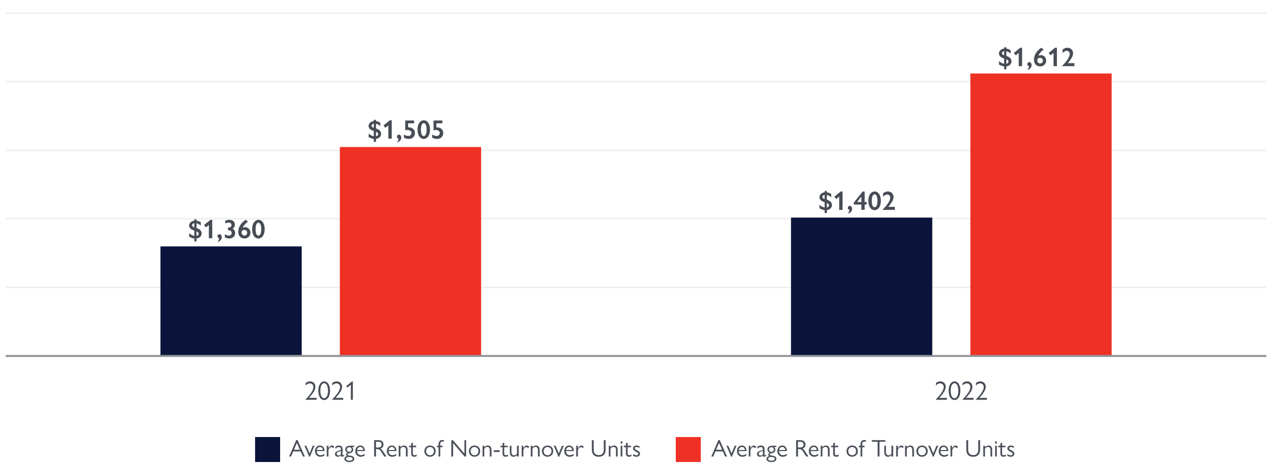
Rent growth accelerated due to unit turnover

The same-sample average rent increase for 2-bedroom apartments in the Kingston CMA was 4.9% in 2022, up from 2.9% in 2021. This growth was driven by rents for units that were turned over to new tenants. However, the rate is also affected by longer-term tenancies. Tenants who remain in the same unit only face rent increases in line with the Ontario rent guidelines.

To isolate the effect of long-term tenancies, we provided a new table on the average rent for 2-bedroom units that turned over and units that didn't. Our comparison was based on structures that were common to both the 2021 and 2022 Rental Market Surveys (table 6.0).

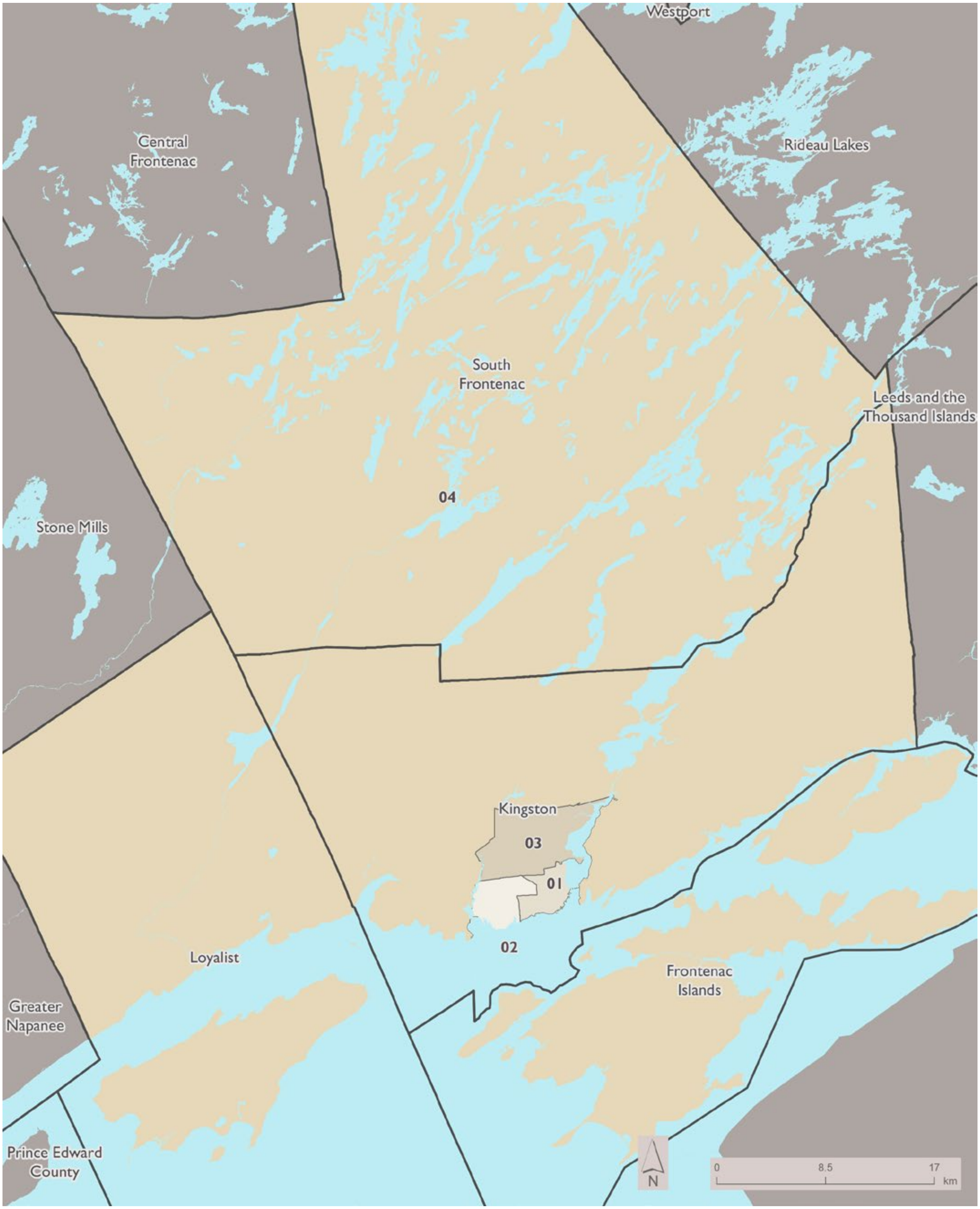
Strong rent growth was driven by intense competition for units that were vacated. Within the same structure, a 2-bedroom unit that turned over to a new tenant was, on average, 21.6% more expensive than one that didn't turn over (table 6.1). A combination of low vacancy rate and increased pent-up repair and renovation costs encouraged property owners to raise rents once units were vacant.

Figure 3 Average rent of turnover two-bedroom apartments increased in 2022



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.


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
1.7%	$1,765
	UP by 6.5%

CONDOMINIUM APARTMENT MARKET

Vacancy Rate	Average Two-Bedroom Rent
1.1%	$2,671

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 the labour market brought vacancy rates in the GTA back to pre-pandemic levels, highlighting again the underlying issue of low rental supply."

Dana Senagama
Senior Specialist
MARKET INSIGHTS

Christopher Zakher
Senior Analyst, Economics
MARKET INSIGHTS

HIGHLIGHTS

Receding COVID-19 pandemic restrictions (such as border closures and business shutdowns) and rising homeownership costs caused rental demand to surge. Vacancy rates in the primary (purpose-built apartment) and secondary (condominium apartment) rental markets fell in 2022 from their levels in the previous year.

Access to affordable supply remains a challenge for low- and middle-income renter households. Units affordable to these households had the lowest primary-market vacancy rates.

The number of apartments added to the primary rental stock in 2022 was the highest in recent decades. This increase, however, couldn't offset the growth in demand.

In the primary rental market, increased competition led to strong rent growth, especially for units turned over to new tenants.

The secondary rental market continues to play an integral role in the Greater Toronto Area (GTA) rental space. The share of condominium apartments held by long-term investors (leased units) grew to 36.2% in 2022.

Vacancy rate returned to pre-pandemic level in the primary rental market

The vacancy rate for primary rental apartments in the GTA fell to 1.7% in 2022, from 4.4% in the previous year (table 1.1.1). This was a level more consistent with the 10-year pre-pandemic (2010–2019) average of 1.5%. Fewer disruptions to economic activity and immigration in 2022 resulted in a surge in rental demand.

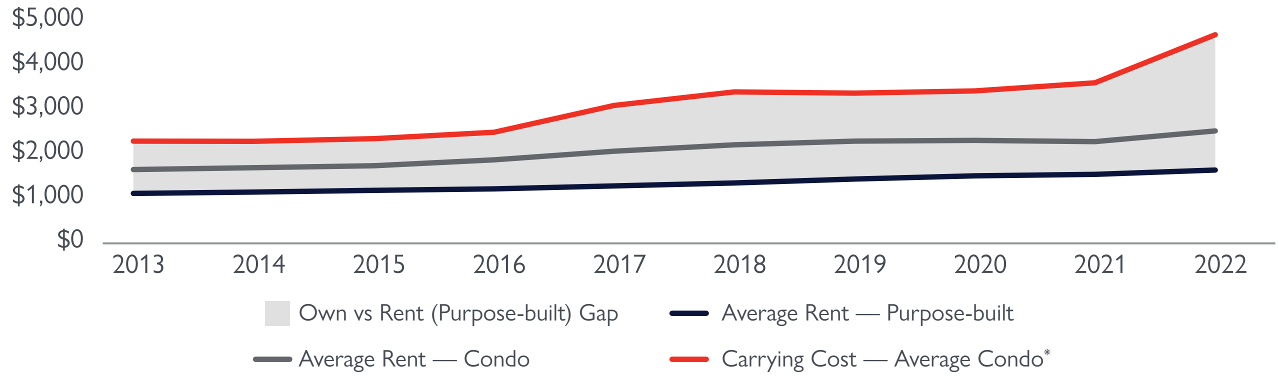
As a result of more businesses reopening, there was a near complete recovery in full-time employment among youth (ages 15–24). This group was disproportionately employed in industries adversely impacted by public health measures. Their employment recovery is important for the rental market, since youth have the highest propensity to rent according to Census data.

Full-time employment among people aged 25 to 44 was also up in 2022 and above pre-pandemic levels. This age group accounts for nearly half of renter households in the Toronto CMA. Improved labour-market conditions for the GTA's youth, the population aged 25 to 44, and the broader population, enabled some to enter (or re-enter) the rental market in 2022.

A strong resurgence in population growth due to eased COVID-19 border restrictions and higher immigration targets also contributed to strong rental demand. The latest estimates from Statistics Canada (2021/2022) indicate that Ontario had the highest level of international migration in the past 50 years. A record gain in non-permanent residents was one reason for this. Historically, the GTA accounted for approximately 80% of net international migration to Ontario. New migrants typically rent in their first few years of living in Canada.

Amid rising mortgage carrying costs (figure 1), many debating between renting and owning likely opted to rent. Meanwhile, some prospective buyers currently renting chose to occupy their units for longer, as evidenced by declining turnover rates (table 1.1.6). Exceptionally weak sales volumes for both existing and new homes, through the second half of 2022, further suggest decreased mobility between renting and homeownership.

Figure 1 Monthly rent and carrying cost of ownership, GTA



Sources: CMHC, TRREB. CMHC calculations

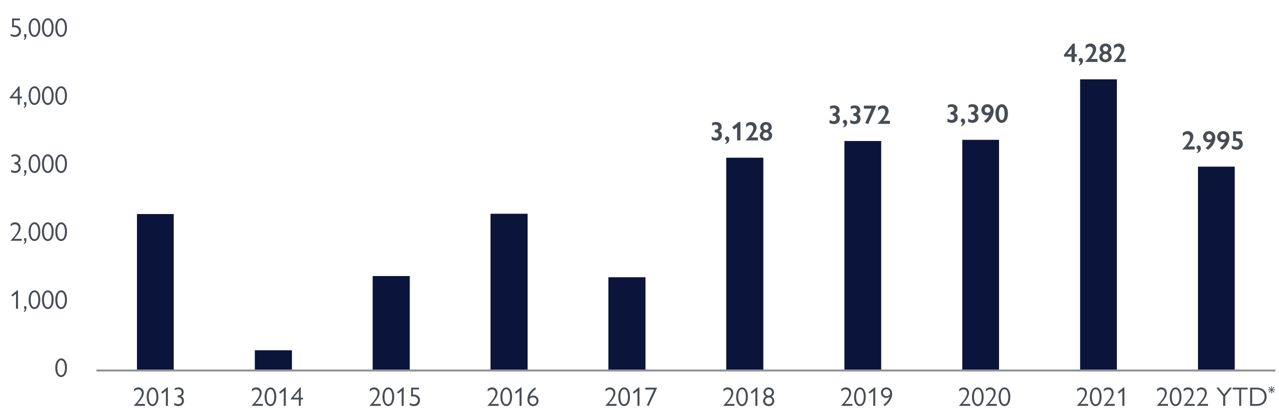
* Carrying costs for a condominium are calculated on the average MLS® price, a 5% down payment, the discounted five-year fixed mortgage rate, and a 25-year amortization period. They include condominium fees, property taxes, and mortgage loan insurance premiums.

Supply increased, but affordability challenges persist

The GTA's primary rental apartment universe increased by 2.1%, or 7,175 units, in 2022 from the previous year (table 1.1.3). This was the strongest increase in recent decades and was due to elevated rental completions in recent years (figure 2).

While rental supply increased, it couldn't offset the growth in demand. Moreover, access to affordable supply remains a challenge for low- and middle-income renter households (the second and third income quintiles). For instance, units affordable[1] to these households had the lowest vacancy rates in the GTA (table 3.1.8). Meanwhile, the average rent for new supply entering the market was 45.4% higher than the average rent for all units (tables 1.1.2 and 3.1.7). Newer units would only be affordable to households in the higher (fourth and fifth) income quintiles.

Figure 2 Rental apartment completions (units), Toronto CMA



Source: CMHC

*Year-to-date (YTD) reflects data from January-to-October.

[1] A rental unit is affordable when rent doesn't exceed 30% of the occupying household's income.

Sharp rent growth, especially for units turning over

There's little doubt that increased competition for fewer units led to strong rent growth in the primary market. The same-sample average rent for a 2-bedroom apartment grew by 6.5% in 2022, well surpassing the 1.5% increase recorded in 2021 (table 1.1.5).

When isolating for units in the same structure that turned over to a new tenant, the change in the average 2-bedroom rent was markedly higher, at 29% (Canada table 6.0). Rent increases for most units that didn't turn over were limited to the provincial increase guideline (1.2% in 2022).

Rental demand for condominiums surged as pandemic restrictions eased

Easing pandemic restrictions resulted in more students (including international students) returning to in-person learning and more workers going back to their offices. Immigration also resumed at very high levels. As they did in the primary rental market, these factors caused demand for rental condominium apartments to increase. The vacancy rate for condominium apartments decreased to 1.1% in 2022, from 1.6% in the previous year (table 4.1.1).

Average condominium apartment rents were more than 50% higher than average rents in the primary rental market (tables 1.1.2 and 4.1.3). The low vacancy rate for condominiums indicates strong demand from higher-income households. The people who rent condominium apartments tend to be young professionals employed in higher-paying sectors like technology and finance.

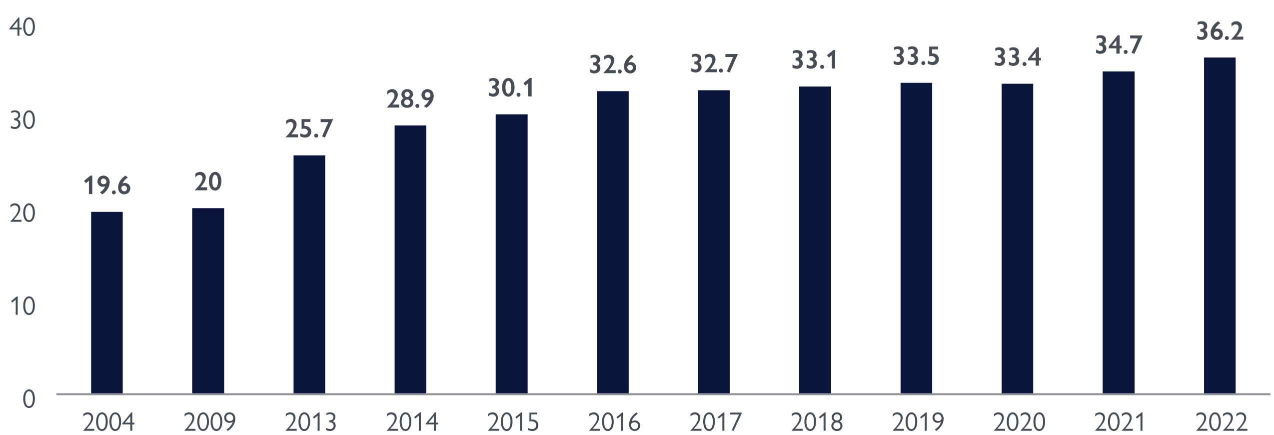
Newly built condominiums lead growth in the rental stock, but fewer units completed in 2022

The increase in the rental condominium apartment universe (table 4.3.2) was led by newly completed units, as opposed to existing units being converted to rentals. However, the rate of condominium apartment completions fell in the 12 months ending in May 2022 (the cut-off point for inclusion in our survey). Completions were down by 23%, reaching just above 17,000 units. Supply-chain issues and labour shortages, which impacted the construction industry over the past year, were the main reasons for this decline.

The share of apartments held by long-term investors grew to 36.2% in 2022 (figure 3 and table 4.3.1). A pandemic-softened tourism/travel industry (particularly in late 2021 and early 2022) and stricter short-term rental rules resulted in more landlords converting their short-term rental units into long-term ones. Also, some short-term investors who bought pre-construction units to sell upon completion listed their newly completed units for rent instead. This was a response to waning homeownership demand throughout much of 2022.

In recent years, about 50% of newly completed units added to the condominium apartment universe were offered for rent. However, in 2022 and 2021, units offered for rent accounted for only about 37% of newly completed units added to the universe. The resale home market showed record-breaking price appreciation in late 2021 and early 2022. This appreciation likely persuaded some condominium owners to sell their units instead of making them available for rent.

Figure 3 Condominium apartment investor share (%), GTA

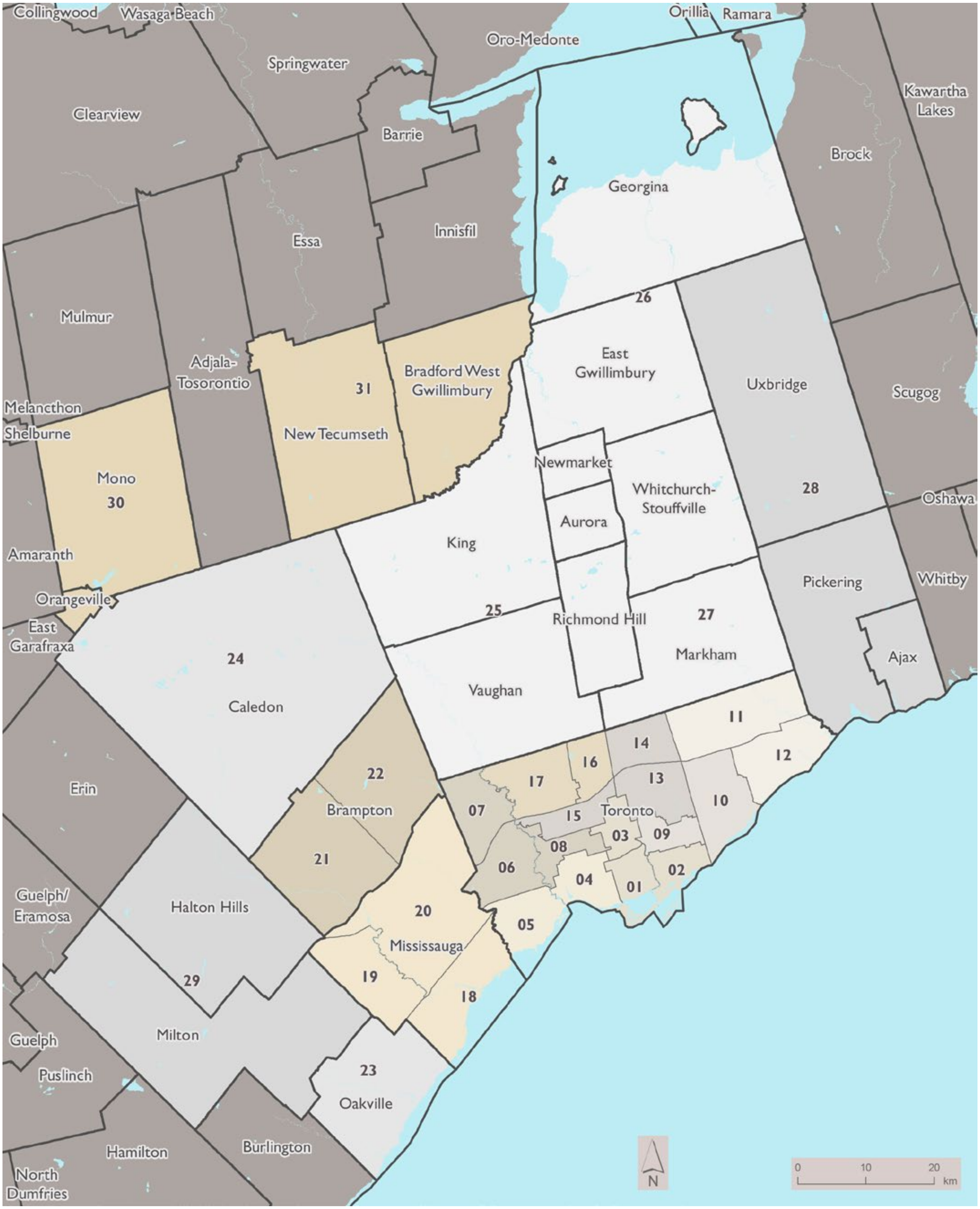


Source: CMHC

Rents stayed high for condominium apartments

There was no statistically significant percentage change in the same-sample average rent for condominium apartments. Still, condominium rent levels remained significantly higher than those in the primary rental market (table 4.1.2). This was because of a compositional effect of the rental stock. The increase in the condominium rental stock was driven mainly by brand-new units in 2022. Existing landlords were forced to keep rent increases to a minimum to compete with brand new units, which likely offered the latest in amenities.

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
Kawartha Lakes
Clearview
Barrie
Brock
Georgina
Innisfil
Essa
Mulmur
26
Adjala-Tosorontio
31
Bradford West Gwillimbury
East Gwillimbury
Uxbridge
Scugog
Melancthon
Shelburne
New Tecumseth
Newmarket
Mono
30
Whitchurch-Stouffville
28
Oshawa
Aurora
King
Amaranth
Pickering
Whitby
Orangeville
25
Richmond Hill
27
East Garafraxa
24
Markham
Ajax
Vaughan
Caledon
11
14
16
12
22
17
13
Erin
Brampton
07
15
Toronto
10
08
03
09
21
06
04
02
01
Guelph/ Eramosa
Halton Hills
20
05
Mississauga
19
29
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.

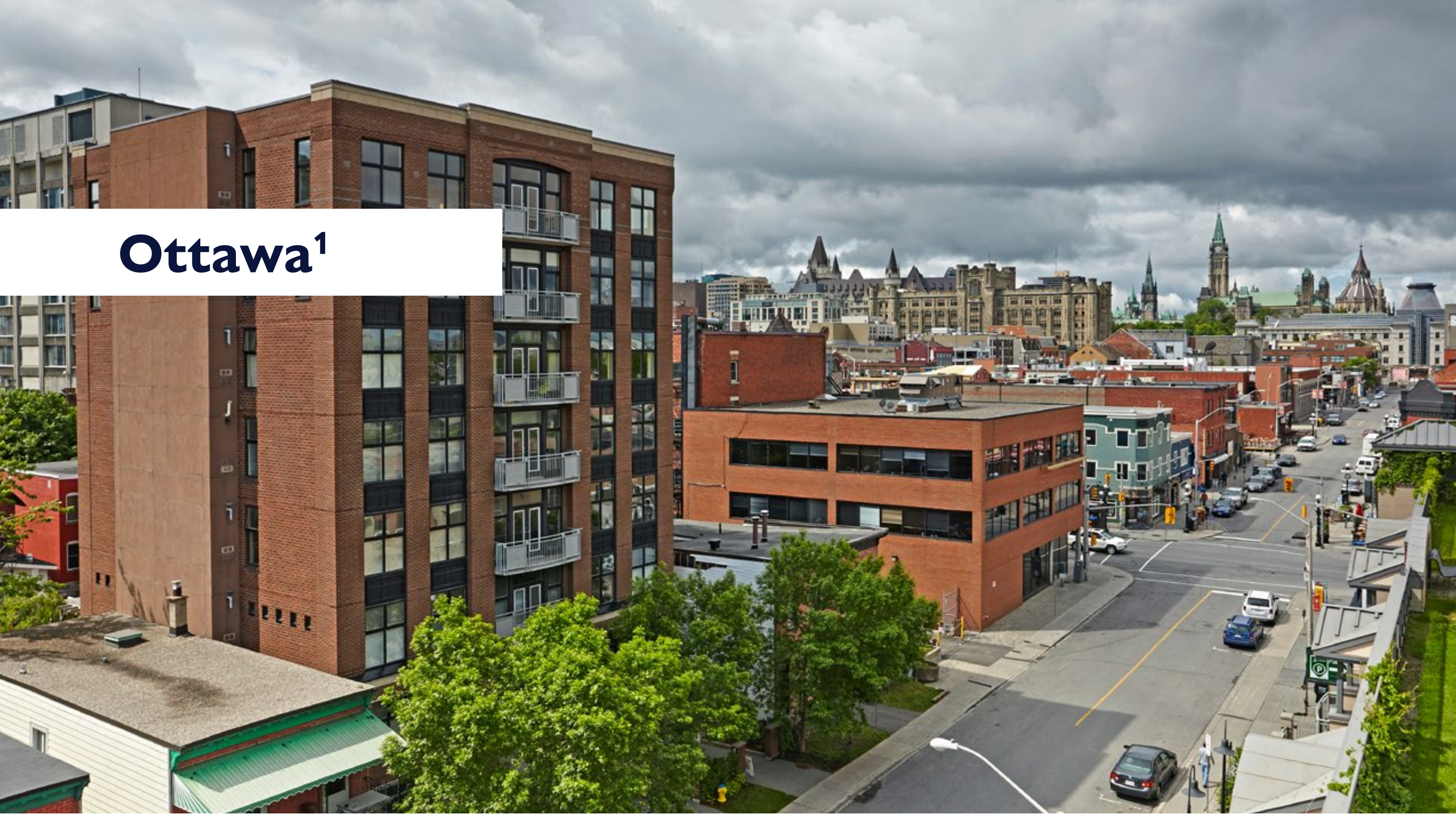
Zone 12	**Scarborough (East)** - North: Highway 401 & Twyn River Dr.; East: City Limit; South: Lake Ontario; West: Brimley Rd. & McCowan Rd.; Census tracts - 0330, 0331.01, 0331.03, 0331.04, 0332, 0356, 0357.01, 0357.02, 0358.01, 0358.02, 0358.03, 0359, 0360, 0361.01, 0361.02, 0362.01, 0362.02, 0362.03, 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
2.1%	$1,625
	UP by 4.8%

CONDOMINIUM APARTMENT MARKET

Vacancy Rate	Average Two-Bedroom Rent
0.5%	$2,075

[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

"The vacancy rate fell from 3.4% to 2.1%. The greatest declines occurred in central neighbourhoods, partly because of the return of students."

Lukas Jasmin-Tucci
Senior Analyst, Economics

MARKET INSIGHTS

HIGHLIGHTS

Strong demographic and economic fundamental conditions supported rental demand. As a result, the vacancy rate fell from 3.4% to 2.1%.

The return of students to campuses contributed to reducing vacancy rates in central neighbourhoods.

Within the same structure, rents for 2-bedroom apartments vary depending on whether they were turned over to new tenants. Rents are about 17% higher, on average, for new tenants. These gaps limit options for low-income households looking for a new home.

The vacancy rate for rental condominium apartments remained stable at 0.5%. Stagnation in the supply of rental condominiums, combined with strong demand, is maintaining the scarcity of available units.

Vacancy rate drops

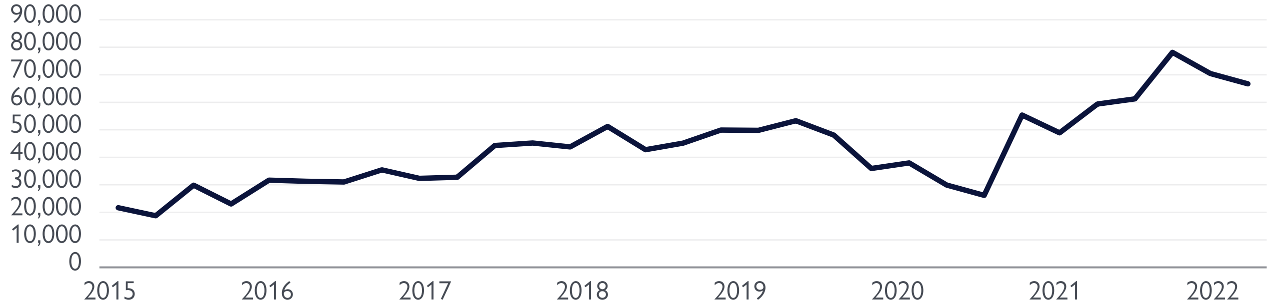
The vacancy rate in the Ontario part of the Ottawa-Gatineau census metropolitan area (CMA) was 2.1%. This was a decline from the rate posted in October 2021 (3.4%) and a return to pre-pandemic levels.

Net migration continues to recover

Looking at demographic factors, international migration continues to recover as shown by the record number of immigrants and non-permanent residents who settled in Ontario. Migration to the Ottawa area usually follows the provincial trend, so it probably also increased in the CMA. Indeed, the number of new permanent residents who planned to settle in the Ottawa area rose considerably. It climbed by nearly 50% in the first 3 quarters of 2022 compared to the same period in 2021.

Students, who make up a significant share of non-permanent residents, followed the same trend. The number of study-permit holders who planned to settle in Ontario was up 25% in the first 3 quarters of 2022 compared to the same period a year earlier (figure 1). Nearly 10% usually head to Ottawa, and they have mainly supported rental demand in the central sectors of the region.

Figure 1 Study permit holders planning to study in Ontario



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

Net interprovincial migration has not been as negative as it was in 2021–2022 for at least 50 years. In Ottawa, labour market activity is concentrated in industries where the potential for remote work is high. These industries used to attract people to the area, but now may contribute less to migration to Ottawa.

Still, the decline in interprovincial migration didn't stop improvement in overall net migration. The increase observed in other migration categories led to higher rental demand.

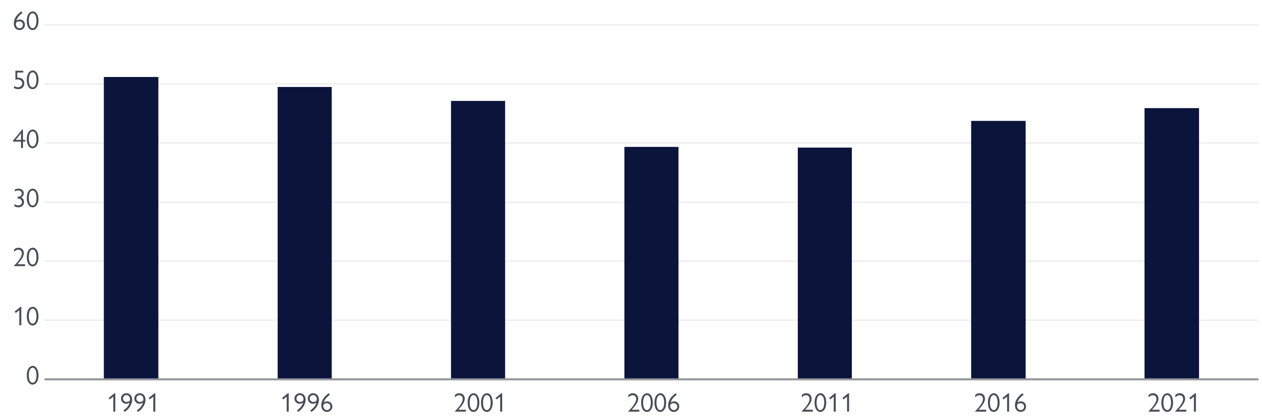
Other factors support demand

Employment among youth aged 15 to 24 continued to rise over the past 12 months in both full-time and part-time positions. This factor certainly supported rental demand by encouraging the creation of new renter households.

Despite some easing, pressure in the resale market is still present. Rapidly rising prices and higher mortgage rates may have slowed transition to homeownership for some renter households who had considered buying in 2022. These households have possibly remained on the rental market, thereby increasing demand.

For many years, demand also came from people aged 25 to 44, who are more and more likely to be renters. The rental rate in this age group rose from 39% to 46% over the last 10 years (figure 2).

Figure 2 Proportion of 25-to-44-year-old households that are renter households (%)



Source: Statistics Canada

On the supply side, a considerable number of units were added to the rental stock. This has been the case since 2020. In addition, commercial buildings are being converted into rental housing projects, particularly in the downtown area. The significant drop in the vacancy rate shows that these additions were not enough to meet growing demand.

Returning students contribute to lowering vacancy rates in central neighbourhoods

The record number of study-permit holders planning to move to Ontario has likely increased demand in the Ottawa rental market. In addition, local students are also returning to the classroom. While vacancy rates fell in several sectors of the Ottawa area, the drop was most apparent in central neighbourhoods (table 1.1.1 for Ottawa).

- The Sandy Hill/Lowertown sector, where the University of Ottawa is located, is among areas where the vacancy rate decreased the most, falling from 5.3% to 2.1%.
- Vacancy rates are also low in the areas surrounding this sector. They stand at 1.3% in the Downtown area and at 0.7% in the Glebe / Old Ottawa South area, which is next to Carleton University.
- The vacancy rate for these 3 areas, as a whole, is 1.5%.

The 3.5% rate in Alta Vista is higher than in other sectors, but it was down from the previous year (7.9%). This was the sharpest decline out of all sectors of the CMA. Alta Vista was among the sectors with the greatest number of completions in 2020 and 2021. The addition of these units could explain why the vacancy rate there remains higher than elsewhere.

Rent growth accelerates

Over the past 12 months, the same-sample average rent for a 2-bedroom apartment rose by 4.8%.

The increase wasn't as strong in 2021 (1.3%). It had likely been slowed by the rent freeze in Ontario and the high vacancy rate that year. With the growing scarcity of vacant units, rents are once again under pressure, as they were from 2018 to 2020.

This situation may encourage owners to raise the rent when a tenant moves out of a unit. The average rent for a 2-bedroom apartment in 2022 was:

- $1,520 for units that didn't turn over to a new tenant;
- $1,831 for units that did turn over to a new tenant.

Within the same structure, an apartment that turned over to a new tenant was, on average, about 17% more expensive than one that didn't turn over.

These rent increases limit options for low-income households, as shown by the difference in vacancy rates by rent range. In the lower rent ranges (under $1,200), vacancy rates hover between 1.2% and 1.5%. These are below the overall average. For apartments rented at $1,350 or more, the vacancy rate is 2.6% (table 1.4 for Ottawa).

Turnover rate shows general decline

The turnover rate fell from 2021 to 2022. It declined from 22.8% to 16.8%, a lower rate than in 2020, at the peak of the pandemic (17.9%). In 2021, the reluctance of tenants to move faded away. Over the past year, this hesitation to look for a new home was renewed by the significant drop in vacancy rates and the increase in rents for vacant units.

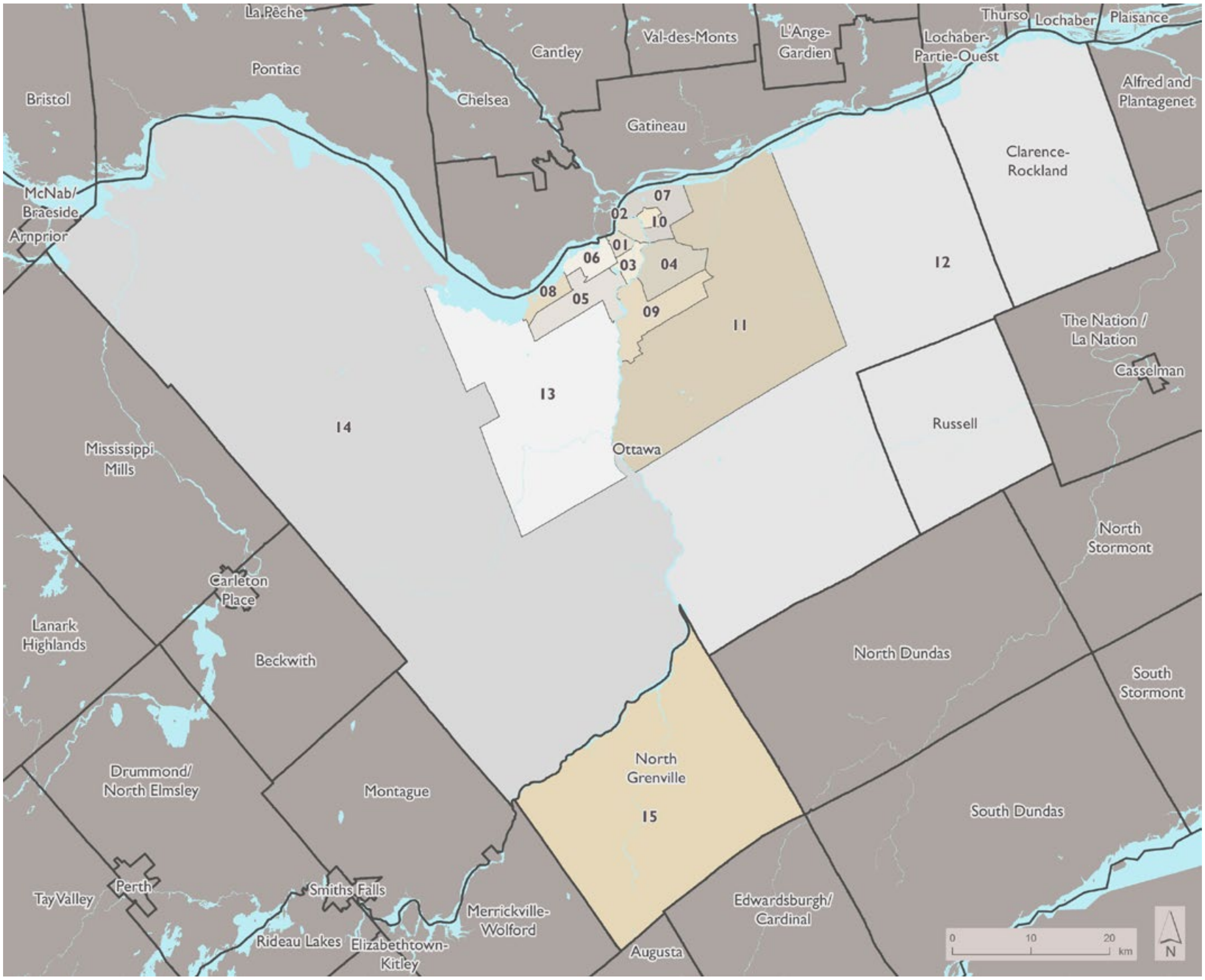
Condominium vacancy rate is stable, but remains low

The vacancy rate for rental condominium apartments remained stable at only 0.5%. It has been below 1% since 2019.

The rate has remained low since the supply of rental condominiums stagnated. The supply has stagnated because condominium completions have slowed down and the proportion of condominiums offered as rentals has stopped increasing. This proportion has remained stable at about 30% since 2016. Again, this year, it was 28.7%.

The average rent for rental condominiums remained higher than for purpose-built rental apartments ($2,075 versus $1,625 for 2-bedroom units). Most new condominiums on the market were added starting in 2004 and are therefore recent. Rents tend to be higher in recently built 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.



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

0.8%

Average Two-Bedroom Rent

$1,269

UP by 9.1%

CONDOMINIUM APARTMENT MARKET

Vacancy Rate

1.2%

Average Two-Bedroom Rent

$1,298

[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

"Migration, youth employment and slower transition to homeownership continue to drive rental demand, holding the vacancy rate below 1%."

Lukas Jasmin-Tucci
Senior Analyst, Economics

MARKET INSIGHTS

HIGHLIGHTS

Supply again increased a lot, but a number of factors contributed to equivalent growth in demand. The vacancy rate therefore remained stable (0.8%).

The average rent for 2-bedroom apartments posted its greatest increase (9.1%) since data has been available.

The scarcity of available apartments and higher rents faced by tenants who move mean that few of them are changing apartments. The turnover rate in the Gatineau area (9.5%) is one of the lowest in Canada.

Rental demand was most likely supported by growing net migration. The 2 largest sources were international migration and non-permanent residents.

Vacancy rate remains stable in the Gatineau rental market

The vacancy rate in the Québec part of the Ottawa-Gatineau census metropolitan area (CMA) stood at 0.8%. Statistically speaking, it remained stable compared to the rate recorded in October 2021 (1.1%).

Supply and demand both experienced strong growth, resulting in a stable vacancy rate.

Return of migration supports rental demand

Net migration at the provincial level rose in the past 12 months. It reached its 2019 level and therefore offset the decline caused by the pandemic in 2020. About three quarters of migrant households choose to rent when they arrive. Several aspects of migration supported the growth in rental demand.

The 2 largest sources of migration were immigration and non-permanent residents.

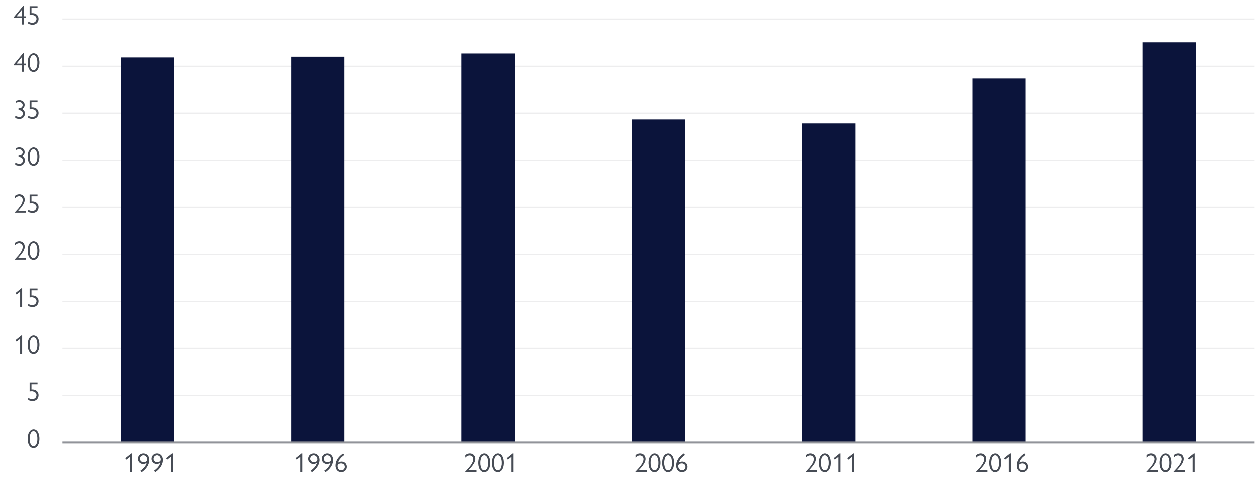
The particularly strong increase in immigration could be explained as a catch-up effect. Migration flows to the Gatineau area usually reflect provincial flows, since a large share of migrants settle here. These newcomers can therefore be expected to join the pool of potential renters in the Gatineau area.

Interprovincial migration also increased, thanks in part to an improved balance with Ontario. Indeed, the number of people leaving Ontario for Québec continued to grow, almost erasing Québec's usual migration deficit with Ontario. Typically, a large share of these Ontario households (mainly from Ottawa) settle in the Gatineau area.

So, it seems that all the elements of net migration came together in 2022 to drive growth in rental demand.

On the resale market, the housing supply is historically low, and prices have risen sharply. These factors, together with rising mortgage rates, are limiting the transition to homeownership for some renter households. As a result of this situation, a growing share of households in the 25 to 44 age group are remaining renters. In fact, the rental rate in this age group increased from 34% to 43% over the last 10 years (figure 1). This trend probably continued, strengthening rental demand in this age group.

Figure 1 **Proportion of 25-to-44-year-old households that are renter households (%)**

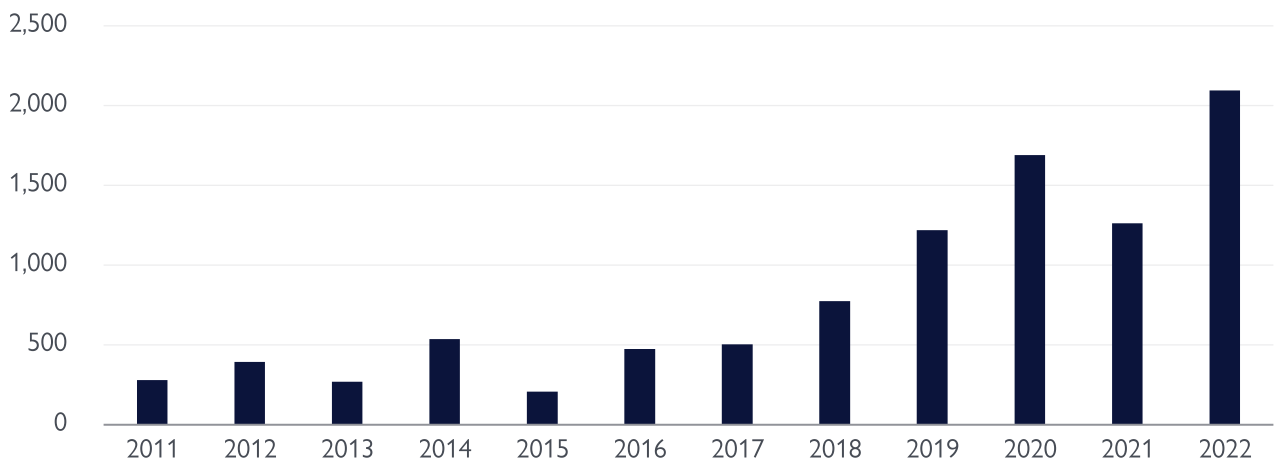


Source: Statistics Canada

The employment level for youth aged 15 to 24 recently exceeded the level attained in the months before the pandemic. This age group was the hardest hit by job losses and also had the slowest recovery. Because this segment of the population consists mostly of renters, the improvement in the job market may have supported rental demand by enabling the creation of new households.

On the supply side, more than 2,000 rental units were completed since the last survey. After a slowdown in 2021, rental housing completions resumed the sustained pace that began in 2019 (figure 2). Despite this, demand in the region continued to increase enough to keep the vacancy rate low.

Figure 2 **Conventional rental unit completions**



Source: CMHC
Note: Years from October to September.

Rent growth accelerates

The average rent for 2-bedroom apartments rose by 9.1%. Such a big increase has not been seen since rent data became available. This increase is also among the biggest recorded in Québec in 2022. As has been the case since 2018, the number of available units is low, adding to the pressure on rents.

Renter households who move are more exposed to these increases. Indeed, rent growth was higher (11%) for units that turned over to new tenants (in the last 12 months) than for units that did not turn over. For 2-bedroom apartments, the average rent for a vacant unit was $1,502 compared to $1,268 for occupied units.

The scarcity of available apartments and higher rents faced by tenants who move mean that few tenants are changing apartments. The turnover rate in the Gatineau area (9.5%) is one of the lowest in Canada.

Reduced supply on the rental condominium market

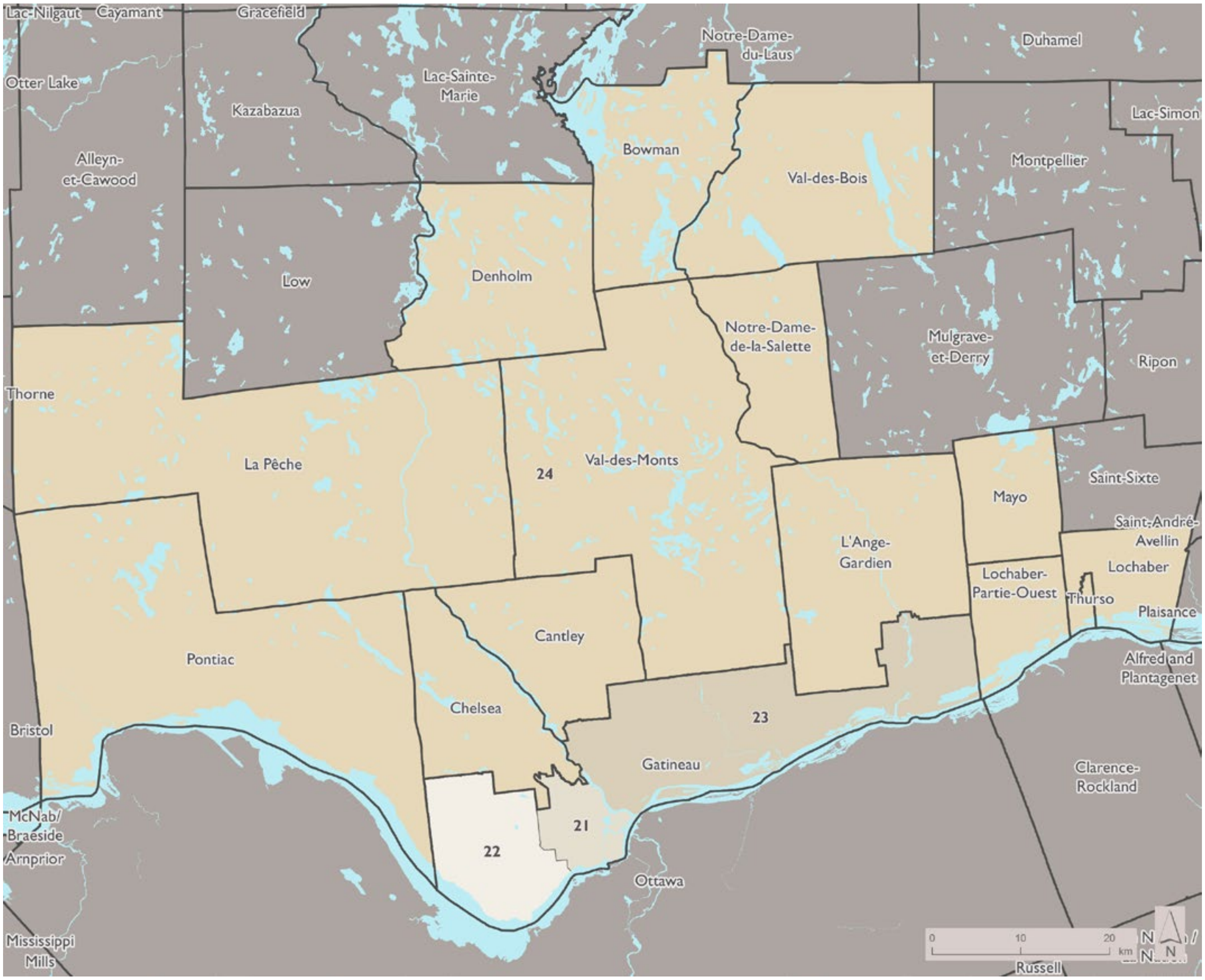
Since the last survey, the number of condominiums offered as rentals has fallen sharply. Only 23% of condominiums are on the rental market now, compared to more than 30% in the previous 6 surveys.

This decrease in supply means that the vacancy rate remains low, at 1.2%. This rate is similar to that on the purpose-built rental market.

For 2-bedroom units, the gap narrowed between rents for rental condominiums ($1,298) and those for purpose-built rental units ($1,269). This shrinking gap can be explained by:

- the significant addition of new units to the purpose-built rental market (newer units tend to have higher rents);
- the decline in the number of new condominium units (fewer than 100 condominiums were completed since 2019).

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
1.5%	$976
	UP by 3.5%

CONDOMINIUM APARTMENT MARKET

Vacancy Rate	Average Two-Bedroom Rent
**%	$1,192

**Data supressed.

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

"At 1.5%, the vacancy rate in the CMA hasn't been this low since 2010. Although supply has remained strong in recent years, it clearly isn't meeting demand."

Olivier Fortin-Gagnon
Senior Analyst, Economics

MARKET INSIGHTS

HIGHLIGHTS

The overall vacancy rate in the area was 1.5% in October 2022, its lowest level since 2010. Strong rental demand was clearly fuelled by rising migration, slowed transition to homeownership and the resumption of on-campus learning.

The vacancy rate for the least expensive rental units fell below 1%. This low availability creates more affordability problems for the lowest-income households in the area.

Rent growth in the Québec CMA in 2022 was 8.2% for 2-bedroom apartments that turned over to a new tenant. It was 3.8% for those that did not turn over.

CMA vacancy rate fell to 1.5% in 2022, its lowest level since 2010

The overall vacancy rate for rental housing in the Québec census metropolitan area (CMA) was 1.5% in October 2022. This was a sharp decline compared to the last 3 years, when it hovered around 2.5%. We need to go back to 2010 to see a lower rate (1.0%).

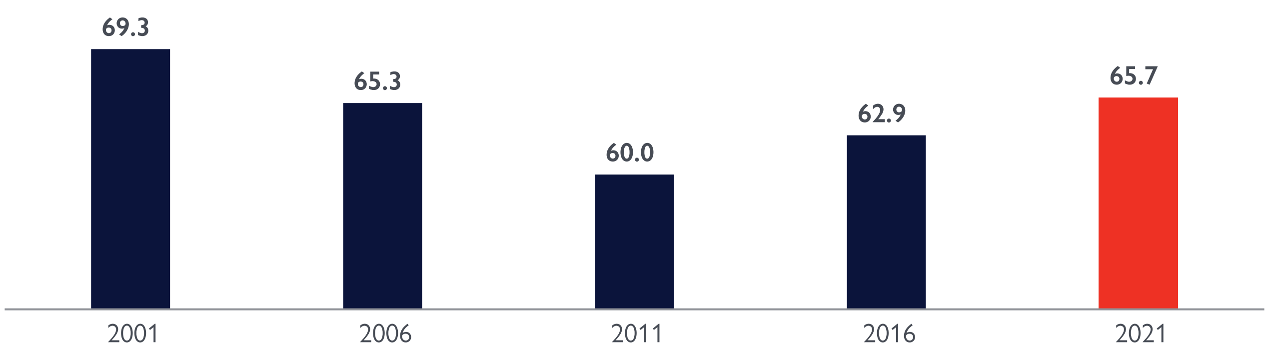
Students and migration contribute to strong rental demand

The resumption of regular university and CEGEP courses in 2022 raised the number of full-time and international students. This led to greater rental demand, especially in central neighbourhoods and the lowest rent ranges.

In 2022, provincial migration returned to its pre-pandemic level. In the first half of 2022, net migration to the province nearly tripled compared to the same period in 2021. The area likely received a good share of this flow, helping drive rental demand.

Since 2016, more and more young households have postponed homeownership. They are held back by rising prices and low supply on the resale market. Indeed, the proportion of younger households that are renters reached 65.7%, a level not seen since 2006 (figure 1). These young households are putting added pressure on rental demand in the CMA.

Figure 1 Percentage (%) of households under age 35 that are renter households — Québec CMA



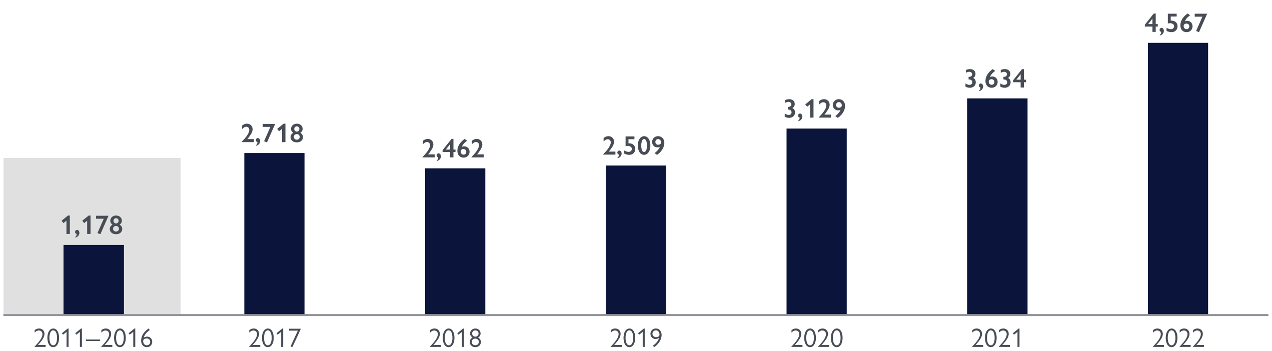
Source: Statistics Canada (2001 to 2021 censuses and 2011 National Household Survey)

Supply is strong, but clearly not meeting demand

Clearly, the supply of rental housing in the CMA has increased in recent years. We note that the share of total housing starts accounted for by rental units is steadily increasing in the area.

From 2011 to 2016, an average of 1,178 rental units were completed per year. In comparison, this number more than quadrupled in 2022 to 4,567. However, this greater supply still isn't enough to meet the strong demand in the area.

Figure 2 Rental housing units completed* in the Québec CMA



Source: CMHC

*Data from July to June, for example, from July 2021 to June 2022 for the 2022 period. Data excludes units in seniors' homes.

Vacancy rate fell significantly in most sectors of the region

With the return of regular and international students, a significant drop in vacancy rates was observed in sectors surrounding the CEGEPs and Université Laval (Haute-Ville, Basse-Ville and Sainte-Foy–Sillery). However, rates in those sectors still remained higher than the CMA average.

Rental demand is very strong in the other sectors of the Québec agglomeration, with almost all of them posting vacancy rates below 1%.

Vacancy rates are low in all rent ranges

Vacancy rates for the least expensive rental units dropped below 1% in 2022. Once again, these low rates clearly show the general dynamics of the region: supply is not high enough to meet growing demand for affordable rental housing.

This situation creates additional pressure for the lowest-income households in the CMA. Indeed, it's increasingly difficult for them to find units that meet their needs and have rents that cost less than 30% of their income.

Table 1 Vacancy rates (%) of privately initiated apartments by rent range — Québec (CMA)

Rent ranges	Vacancy Rates	
Québec (CMA)	2021	2022
Less than $700	2.3	1.0
$700 to $799	1.8	0.4
$800 to $899	1.6	0.8
$900 to $999	2.2	0.7
$1,000 to $1,099	3.9	2.0
$1,100 or more	4.2	3.3
All ranges	2.5	1.5

Rent increases were moderate in the area compared to the provincial average

In 2022, we collected new data on rent differences between 2-bedroom units that turned over to new tenants during the year and those that didn't. We saw rent increases of:

- 8.2% for units that turned over to new tenants;
- 3.4% for units that did not turn over.

These increases show that when tenants changed, landlords adjusted rents to the market value. So, in 2022, the average rent was $1,000 for 2-bedroom units that turned over and $900 for those that didn't, which is $100 less.

It should be noted that about 15% of the area's renters changed apartments between 2021 and 2022. This turnover rate is low compared to the pre-pandemic rate of about 22%.

Province-wide, the average rent for units that turned over in 2022 increased by 13.2%. In contrast, rents for units that didn't turn over rose by 3.6%.

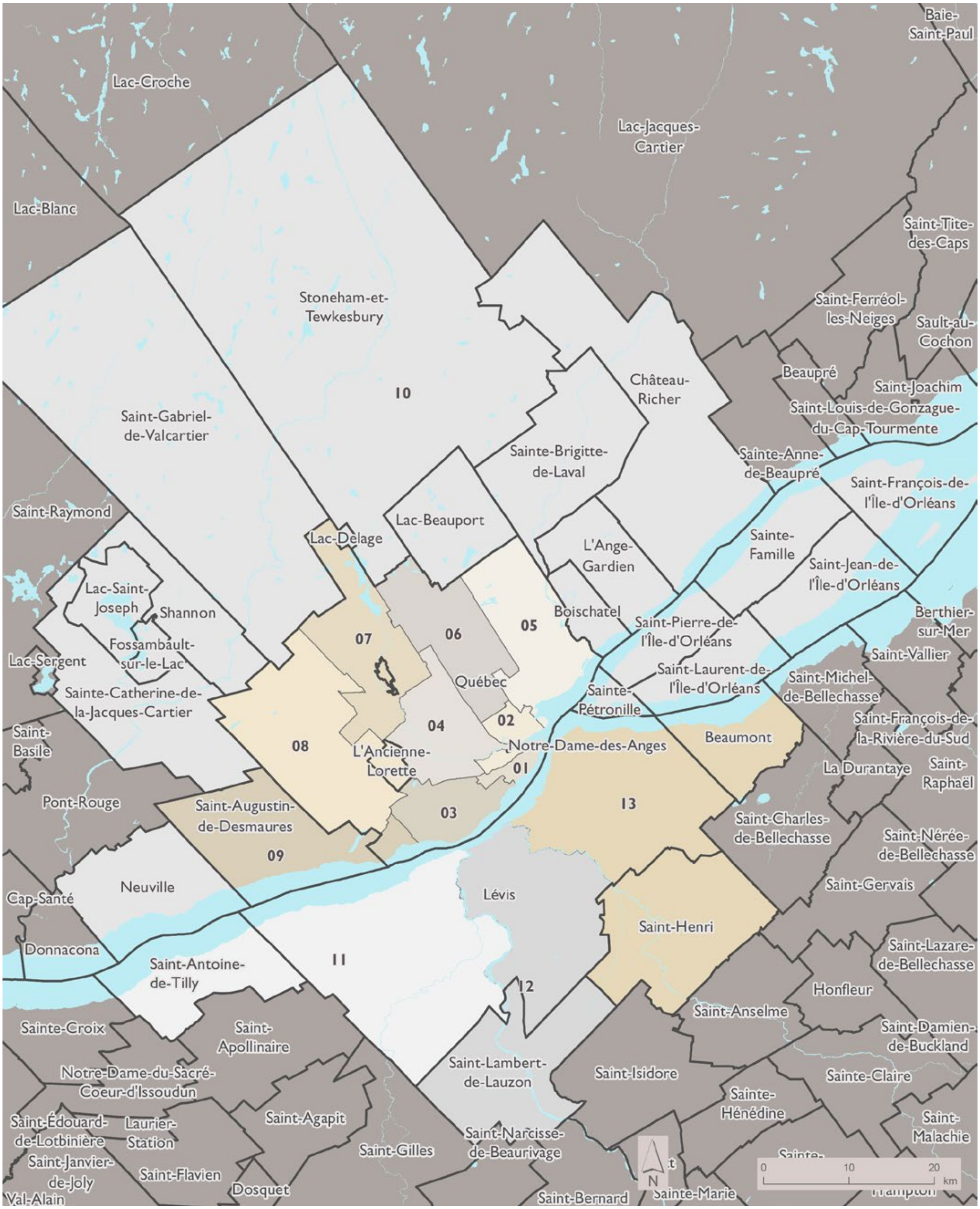
Vacancy rates for rental condominiums fell sharply in buildings with 100 or more units

The vacancy rate for rental condominiums in buildings with 100 or more units declined sharply in 2022 compared to 2021. It fell from 7% to around 0%.

This decline was largely due to strong demand in the Québec agglomeration, where these buildings are located. Demand there was supported by the return of students and an increase in migration.

The average rent for a 2-bedroom unit in 2022 was higher on the rental condominium market ($1,192) than on the purpose-built rental market ($976).

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
10
Château-Richer
Beaupré
Saint-Joachim
Saint-Gabriel-de-Valcartier
Saint-Louis-de-Gonzague-du-Cap-Tourmente
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
Québec
Saint-Laurent-de-l'Île-d'Orléans
Saint-Michel-de-Bellechasse
Sainte-Catherine-de-la-Jacques-Cartier
Sainte-Pétronille
02
04
Saint-François-de-la-Rivière-du-Sud
Saint-Basile
08
L'Ancienne-Lorette
Notre-Dame-des-Anges
Beaumont
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
Saint-Lazare-de-Bellechasse
Donnacona
Saint-Antoine-de-Tilly
11
12
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-Narcisse-de-Beaurivage
Saint-Gilles
Saint-Janvier-de-Joly
Saint-Flavien
N
0
10
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km
Dosquet
Sainte-Marie
Val-Alain
Saint-Bernard

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

2%

Average Two-Bedroom Rent

$1,022

UP by 5.4%

CONDOMINIUM APARTMENT MARKET

Vacancy Rate

2%

Average Two-Bedroom Rent

$1,517

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 demand in the rental market pushed the vacancy rate down. Rent increases were also significant, especially for renters who moved."

Francis Cortellino
Economist

MARKET INSIGHTS

HIGHLIGHTS

The vacancy rate on the Island of Montréal fell from 3.7% to 2.3%. This decline was caused by a strong rebound in international migration and a slower transition to homeownership. That last factor also supported rental demand in the suburbs. Despite the addition of thousands of new apartments, the suburbs continued to have a vacancy rate around 1%.

New data: For 2-bedroom apartments, there was a 28% gap between the average rent for units that turned over to a new tenant ($1,235) and the average rent for units that did not turn over ($963).

The change in average rent for 2-bedroom apartments from 2021 to 2022 was the biggest in 20 years (+5.4%). However, the increase was 14.5% for units that turned over and 3.5% for units that didn't.

The supply of rental condominiums rose sharply in 2022. However, demand also rose, for the same reasons that affected the purpose-built rental market, so the vacancy rate remained stable at 2%.

Demand is recovering on the Island of Montréal, and vacancy rates are low in the suburbs

The vacancy rate in the Montréal area fell to 2% in 2022. As such, it's approaching its 2019 pre-pandemic level of 1.5%. However, the proportion of vacant units varied by sector (table 1).

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

Areas	2019	2020	2021	2022
Downtown Montréal/Île-des-Soeurs	2.6	10.2	6.3	4.3
Côte-des-Neiges/Mont-Royal/Outremont	1.7	4.7	4.8	3.3
Island of Montréal	**1.6**	**3.2**	**3.7**	**2.3**
Suburbs	**1.2**	**1.2**	**1.1**	**1.3**
Montréal CMA	**1.5**	**2.7**	**3.0**	**2.0**

Source: CMHC

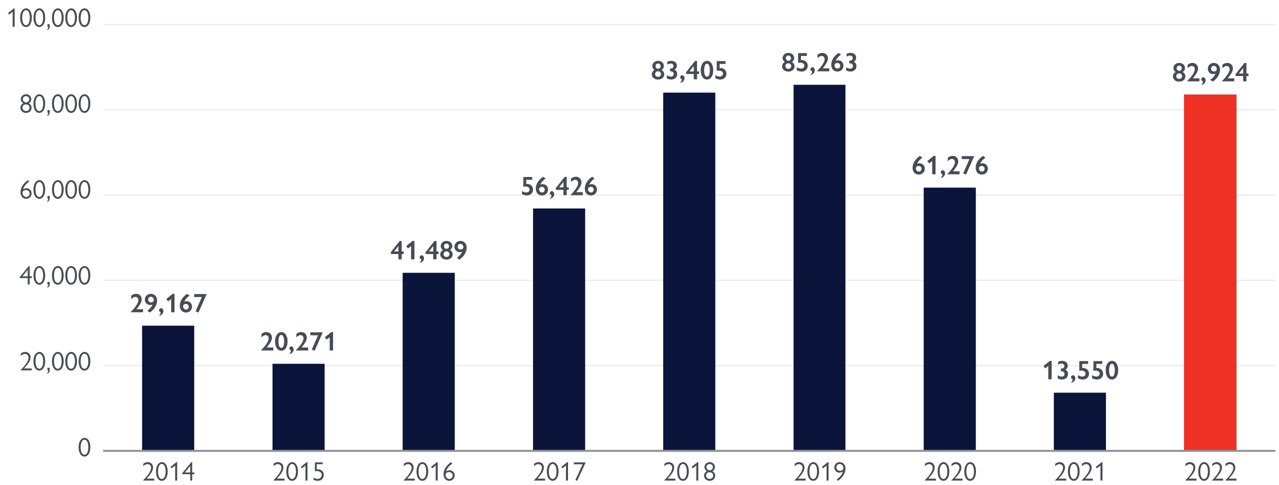
On the Island of Montréal, the vacancy rate fell to 2.3% after practically doubling from 2019 to 2021.

In the central neighbourhoods of the Island where there are many students and newcomers, such as downtown and Côte-des-Neiges, vacancy rates decreased (table 1). Rates fell mainly for small apartments (bachelor and 1-bedroom units).

The strong rebound in migration (figure 1) and in-person college and university classes fuelled rental demand in these neighbourhoods on the Island.

The same neighbourhoods were also among those where the largest number of rental apartments were added in 2022. This increase in supply means that vacancy rates here remain higher than in several other sectors on the Island.

Figure 1 Significant rebound in net migration* to Québec in 2022



Source: Statistics Canada

*From July of the previous year to June of the current year.

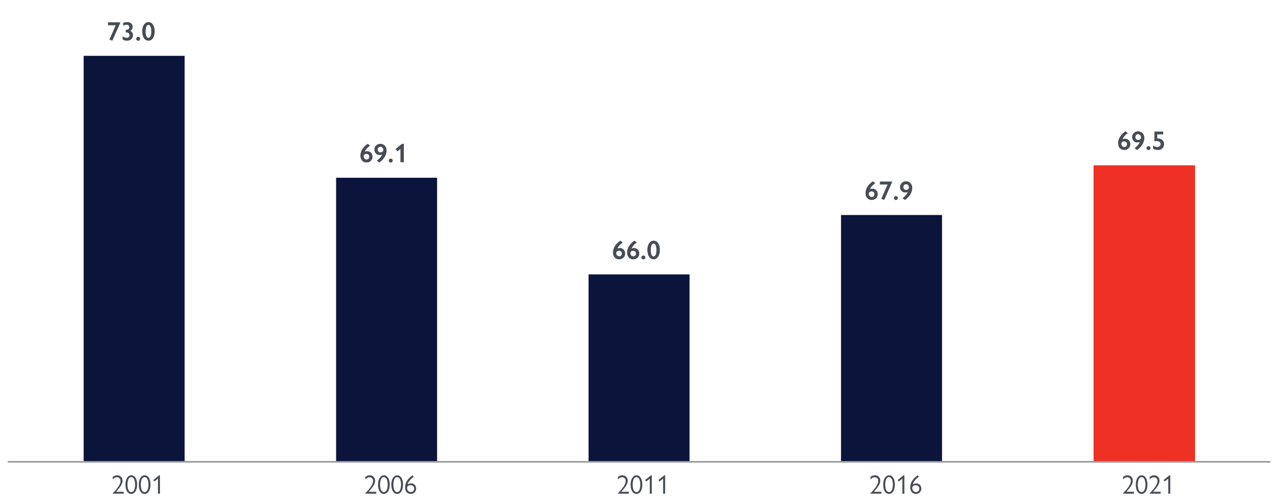
Throughout the territory of Montréal (Island and suburbs), 2 other factors also supported rental demand: rising youth employment and strong price increases on the housing market since the start of the pandemic.

That last factor made it harder for renter households to become homeowners.

Indeed, in most age groups, the proportion of Montréal households that were renters was higher in 2021 than in 2016 (census data). This increase likely continued into 2022.

Younger households followed this trend. Over the past decade or so, more and more of them, percentage-wise, have tended to rent (figure 2).

Figure 2 The proportion (%) of households under age 35 that are renter households continues to rise in the Montréal CMA



Sources: Statistics Canada and CMHC (calculations)

The difficulty in transitioning to homeownership likely fuelled rental demand in the CMA. It also helps explain rental market conditions in the suburbs, where the vacancy rate remained stable at 1%.

The vacancy rate in the suburbs remained low despite certain supply and demand factors that could have caused it to increase:

- more than 60% of the CMA's 12,000 new rental units were in the suburbs;
- during the pandemic, there was a strong increase in the number of people leaving the suburbs to settle elsewhere in Québec.

All the major suburban sectors, namely the South Shore (1.2%), Laval (1.8%) and the North Shore (1.3%), posted similar vacancy rates. Only the North Shore stood out a little. Its vacancy rate increased slightly from 2021 to 2022 (from 0.4% to 1.3%).

Since the North Shore is the sector where housing is least expensive, it seems the transition to homeownership slowed less there.

This shows that rental demand was slightly less sustained on the North Shore than elsewhere, which explains the increase in the vacancy rate.

Vacancy rate higher for newer units

In 2022, the increase in the supply of newer apartments outpaced the increase in demand in this market segment.

Indeed, the vacancy rate for apartments built in the last 3 years was higher (at 4.2%) than that of the overall market (regardless of the year of construction).

This indicates an easing on the market for newer rental apartments, since the vacancy rate in 2021 was only 2.7%.

Average rents for newer units are higher than those on the overall market (57% gap for 2-bedroom apartments in the CMA in 2022). This difference might have limited the number of potential renters.

Few affordable apartments are vacant

The supply of affordable housing remains an issue in Greater Montréal despite the sustained construction of rental apartments in recent years.

Generally, vacancy rates are higher in the high rent ranges that are unaffordable to low-income renter households.

For example, vacancy rates were only 1% for apartments considered affordable to the least affluent 40% of renter households (those that make under $43,000 per year). In contrast, the vacancy rate was 5.4% for apartments that were affordable to households making between $63,000 and $97,000 per year.

New data: Rents and their growth rate are higher for apartments that turned over

For 2-bedroom apartments, there was a 28% gap between the average rent of units that turned over to new tenants ($1,235) and units that didn't ($963).

Here's why: When a unit is vacated by its tenant, the owner can adjust the rent in line with rents for comparable units on the market. The owner may also have renovated the unit.

Indeed, we observe that, from 2021 to 2022:

- The increase in the average rent was 14.5% for 2-bedroom apartments that turned over.
- The increase was only 3.5% for units that did not turn over.

The increase in the average rent for all 2-bedroom apartments was 5.4%, the largest in 20 years. The scarcity of rental units is one factor behind this strong increase. The increase in the average rent was similar for all apartments, regardless of size. It was also quite uniform across the main geographic sectors of the CMA.

Low vacancy rates and progressively higher rent increases have made tenants more reluctant to move. In fact, 10% of Montréal renter households changed addresses in 2022, compared to 11% in 2021 and 16% in 2019 (just before the pandemic).

Rental condominium vacancy rate remains stable

In 2022, the vacancy rate for rental condominiums remained stable at 2% in the Montréal CMA. This is similar to the rate observed on the purpose-built rental market.

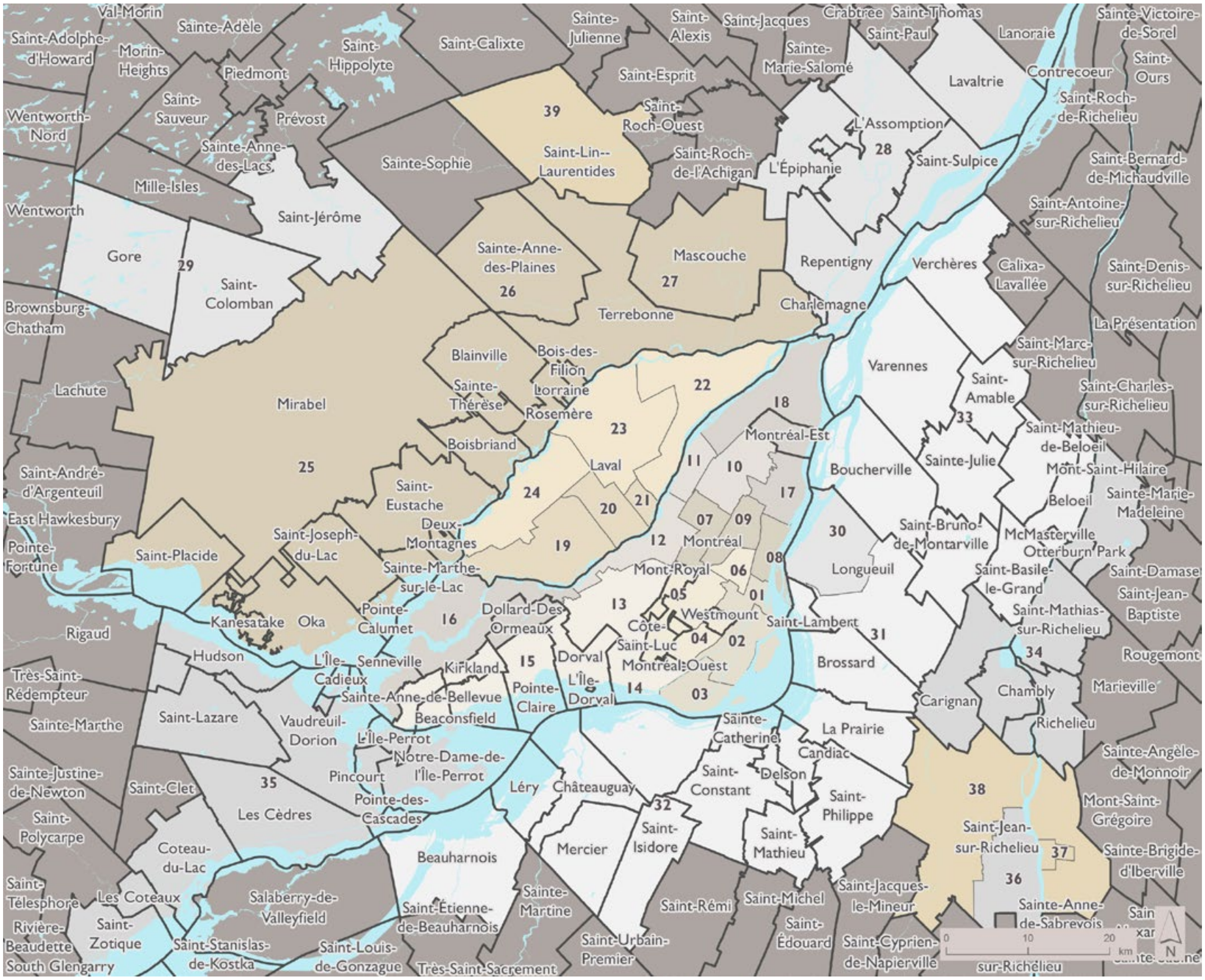
This stability is explained by supply and demand growing at the same pace.

After holding steady in 2021, the number of condominiums offered as rentals increased significantly in 2022. A total of 4,200 units were added, one of the largest increases in recent years.

Demand for rental condominiums therefore remained strong. This is partly explained by the rebound in international migration and students returning to in-person learning. The slower transition to homeownership may have added to the number of households choosing to rent a condominium. This was another factor that influenced demand.

The scarcity of rental condominiums put upward pressure on rents. The average rent for 2-bedroom condominiums in the Montréal area reached $1,520 in 2022, compared to $1,420 in 2021.

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).

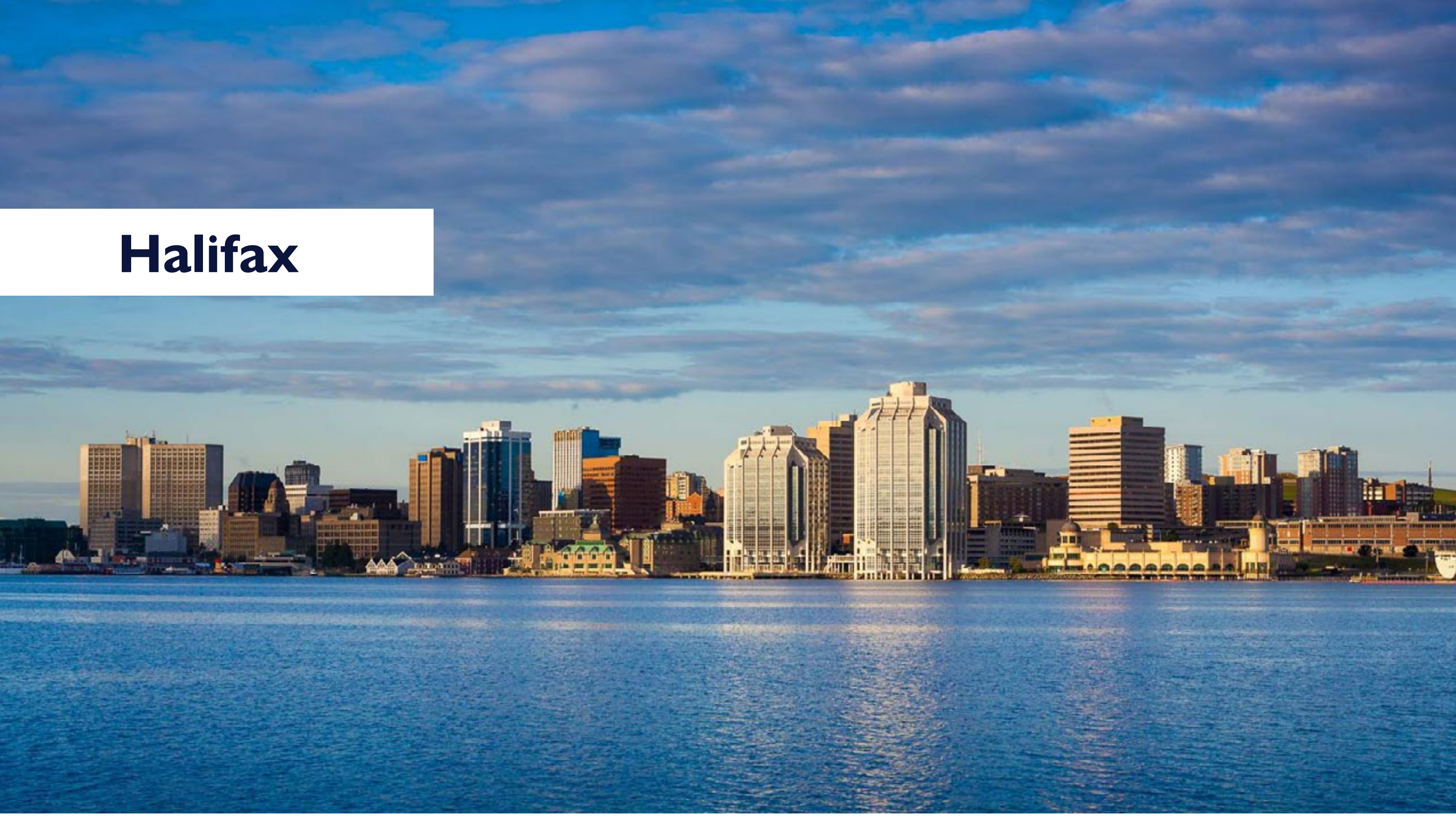
Zone 8	**Hochelaga-Maisonneuve (Mtl)** - St. Lawrence River (south), Sherbrooke Street (north), Viau Street (east), Amherst Street (west).
Zone 9	**Rosemont (Mtl), La Petite-Patrie (Mtl)** - Sherbrooke Street and CP Railway (south), Jean-Talon Street, Bélanger Street and limits of Saint-Léonard (north), 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	Average Two-Bedroom Rent
1%	$1,449 UP by 9.3%

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

"There was no relief for renters in 2022, as the vacancy rate was unchanged and average rent increased at the fastest pace on record."

Kelvin Ndoro
Senior Analyst, Economics

MARKET INSIGHTS

HIGHLIGHTS

Vacancy rate stayed at record low of 1% as demand matched supply.

Turnover rate dropped to lowest level in last 5 years, showing tenants' reduced tendency to move.

Overall same-sample average rent increase of 8.9% was highest single-year increase and 4 times above average historical growth rate.

Rental affordability remains a challenge for low-income households: only 3% of the rental universe is affordable to renter households in the lowest 20% of the income distribution.

Halifax vacancy rate remained steady

The average apartment vacancy rate in Halifax did not change in 2022, staying at the record low of 1%. The change in vacancy rate varied across the city, but wasn't statistically significant in all neighbourhoods.

Demand was particularly strong for:

- structures with 100+ units in Dartmouth North (0.2% vacancy);
- the Remainder of CMA (0.3% vacancy);
- rental units in the $850-to-$949 rent range (0.5% vacancy); and
- 2-bedroom units (0.9% vacancy).

Demand from students and young people remains strong

The number of non-permanent residents, which includes foreign students, increased as universities returned to in-person learning after the pandemic. The vacancy rate in the student-dominated Peninsula South zone dropped from 1% to 0.6%. Higher mortgage rates are lowering people's borrowing capacity and making homeownership tougher. Young people are staying in rentals longer and continue to boost rental demand. Of all households led by adults aged 25 to 44, 52.3% were renters in 2021, compared to 50.8% in 2016, according to Census data.

Higher demand from young people moderated by preference for staying with parents

Vacancy rates have remained stable, as demand didn't change significantly, despite record population growth. High demand from young people has been moderated by others opting to stay with parents. This enables them to save for a down payment or avoid paying unaffordable rents. There were 22% more adults aged 25 to 44 living with their parents between the 2016 and 2021 Census. The population of this age cohort increased by 16% within the same period.

Unaffordable rents contributing to outmigration

The number of people leaving for other provinces (13,561) increased by 33% compared to the previous year. A majority of outmigrants (53%) left for more affordable provinces. There were twice as many in-migrants as there were out-migrants. More than half of in-migrants were from Ontario, most likely attracted to the relatively affordable housing market. These in-migrants were also the least likely to rent.

The possibility of remote work is allowing people to leave Halifax in search of cheaper rental options. Vacancy rates dropped and were lower in provincial areas outside Halifax, such as Truro, Kentville and East Hants. In 2021, more rental units were completed in Halifax (1,762) than were completed in the rest of the province (232).

Rental supply grew, but at a slower pace

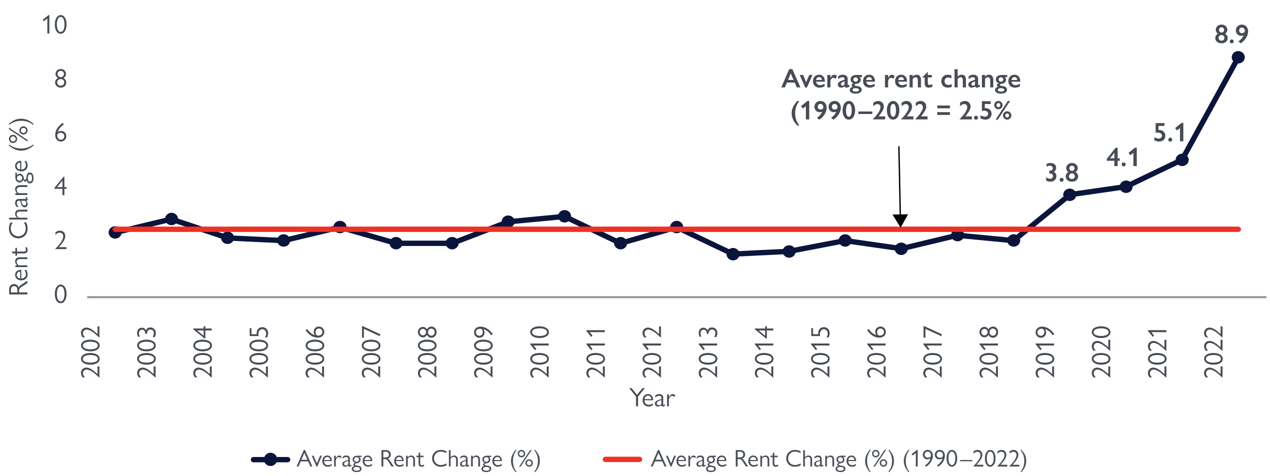
Pandemic restrictions, higher commodity prices, and labour and logistical constraints have slowed down rental completions in the last 2 years. The number of rental apartment units increased by 1,348 (table 1.1.3). The increase in new supply was mostly from 1,201 rental apartment completions.[1] This was the lowest number of annual rental completions in a single survey year since 2016.

New rental supply was concentrated in the Remainder of CMA and Peninsula South. These areas, respectively, accounted for 48% and 30% of the overall increase. Rental demand was stronger in the Remainder of CMA. This area had the highest increase in the number of rental units (+29%). Its vacancy rate dropped from 0.6% to 0.3%, despite significant supply growth.

Record increase in average rents

Overall, same-sample average rent increased by 8.9%, despite Nova Scotia legislating a temporary 2% rent cap for existing leases in November 2020. Within the same structure, a two-bedroom unit occupied by a new tenant was on average 28% more expensive than one that did not turn over (Canada table 6.1). This rent disparity might be from renovated turnover units or property owners adjusting rents to market value because of higher operating costs.

Figure 1 Halifax, percent change in same-sample average rents, 2002 to 2022



Source: CMHC

Given the difficulty of finding a unit of comparable value in a rental market with low vacancies and increased rents, turnover rates decreased from 17% to 11%. Vacant units had higher average rents compared to occupied units in most rental zones, except Mainland South and Sackville (table 1.1.9).

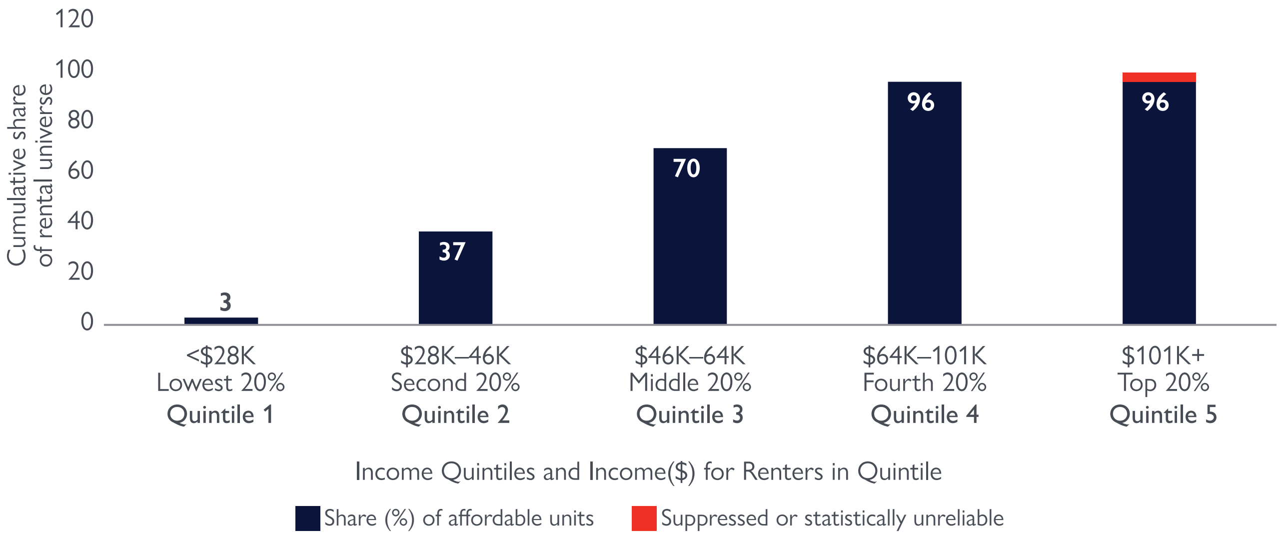
The increase in average rent was highest in Dartmouth North, at 12.7% (table 1.1.5). This area had the lowest overall average rent in the city ($1,040) (table 1.1.2).

Rental affordability remains a challenge for low-income households

According to CMHC's calculations (table 3.1.8), only 3% of the rental universe is affordable to renter households in the lowest 20% of the income distribution (yearly income less than $28,000) (figure 2). There is increased competition from higher-income households for the few units affordable to low-income households. Units affordable to low-income households have vacancy rates between 0.6% and 0.8%. Units that are affordable to the top 2 income quintiles have vacancy rates of 1.5% and 2.3%. The affordable rent range for the top 2 income quintiles was, respectively, $1,600 to $2,524, and over $2,525.

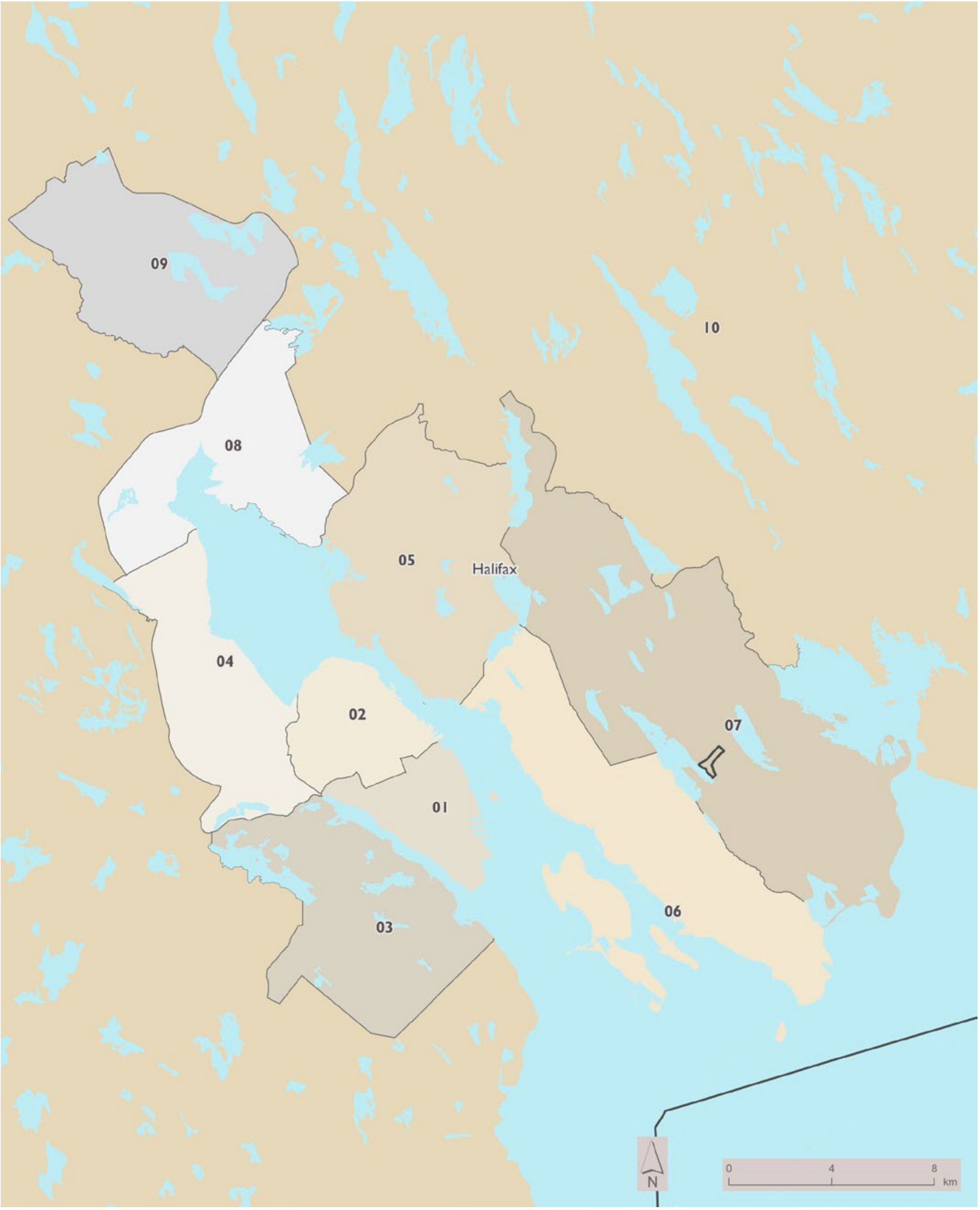
[1] Rental units completed between the Rental Market Surveys, which includes the period from July 2021 to June 2022.

Figure 2 Percent of rental units in Halifax affordable for each income quintile, 2022



Source: CMHC, Statistics Canada

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.

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 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.

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. Since 2022, the RMS also measures rents for 2-bedroom units with and without tenant turnover (Table 6.0 – Canada). Also, the difference between these two rent measures is available for units in the same structure (Table 6.1 – Canada). 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.

Income: Prior to the 2022 RMS income quintiles were developed by inflating Census 2016 based income quintiles to the relevant year's dollars (using the national CPI). As of the RMS 2022, income quintiles are developed by growing Census 2016 based income quintiles to the relevant year's levels by using changes in the provincial median weekly wage. This approach better reflects growth in incomes in most provinces, while the CPI approach would frequently understate affordability by understating increases in incomes.

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 2021 and October 2022 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.

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Canada Overview

Figure 1: Canada, vacancy rate for all bedroom types, purpose-built rental apartments (%)

Year	Vacancy rate	Average vacancy rate (1990–2022)
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
2022	1.9	3.2

Source: CMHC

Canada total includes all centres of 10,000+ population.

Figure 2: Strong growth in supply was outpaced by stronger growth in demand in most centres, for purpose-built rental apartments in 2022

	Change in Universe (%)	Change in Occupied Units (%)
Vancouver	3.3	3.6
Victoria	5.0	4.6
Edmonton	4.0	7.4
Calgary	8.0	10.7
Saskatoon	4.1	5.6
Regina	-0.1	4.1
Winnipeg	3.5	6.0
Hamilton	0.1	1.1
Greater Sudbury	-0.1	-0.6
Kitchener-Cambridge-Waterloo	1.4	2.2
Belleville	-2.2	-2.9
Peterborough	2.8	2.7
Windsor	-0.2	1.6
St.Catharines-Niagara	1.7	0.8
London	1.2	1.4
Kingston	2.8	3.0
Toronto	2.2	5.4
Ottawa	6.6	8.0
Gatineau	6.4	6.7
Québec	4.1	5.2
Montréal	1.4	2.4
Halifax	2.5	2.5
CANADA	2.6	3.8

Source: CMHC

Canada total includes all centres of 10,000+ population

Figure 3: Rent growth surged across the country for 2-bedroom purpose-built apartments, including Vancouver and Toronto

	October 2021	October 2022
Vancouver	2.4	5.7
Victoria	3.1	6.7
Edmonton	-0.5	1.6
Calgary	++	6.0
Saskatoon	0.5	3.4
Regina	++	3.3
Winnipeg	2.8	1.5
Hamilton	3.7	5.3
Greater Sudbury	8.4	**
Kitchener-Cambridge-Waterloo	3.2	7.2
Belleville	++	**
Peterborough	**	5.4
Windsor	5.7	3.9
St.Catharines-Niagara	5.7	6.3
London	3.1	5.8
Kingston	2.9	4.9
Toronto	1.3	6.5
Ottawa	1.3	4.8
Gatineau	6.7	9.1
Québec	2.1	3.3
Montréal	4.0	5.4
Halifax	4.8	9.3
CANADA	3.0	5.6

Source: CMHC

Canada total includes all 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).

Vancouver

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

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
2022	$2,373	$1,658

Source: CMHC

Figure 2: Components of change in supply of rental condominium apartments, Vancouver CMA

Year	Number of existing units converted to rental	Number of newly added units rented in same year	Net change in supply of rental units
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
2022	3,296	4,554	7,850

Source: CMHC

Victoria

Figure 1: Despite slow-down in rental construction, rental stock expanded thanks to fewer renovations, demolitions and conversions

Year	Newly completed units, purpose-built-rental apartments	Net change to the rental stock, purpose-built-rental apartments
2012	180	208
2013	204	12
2014	494	359
2015	276	350
2016	477	94
2017	986	545
2018	901	682
2019	1,284	583
2020	1,719	1,379
2021	1,869	661
2022	1,384	1,411

Source: CMHC

Figure 2: Part-time employment gains drove the job market in 2022

Year	Cumulative monthly change of the number of full-time employments	Cumulative monthly change of the number of part-time employments	Unemployment rate, monthly average
2016	3,800	3,000	5%
2017	5,500	2,100	4%
2018	1,000	-2,800	4%
2019	2,400	3,900	3%
2020	-2,700	-5,200	8%
2021	5,900	1,600	5%
2022	200	7,500	4%

Source: Statistics Canada

Note: The 2022 data includes the period between January 2022 and November 2022.

Edmonton

Figure 1: Alberta net-migration by type and Edmonton annual growth in rental occupancy (historical)

Year	Net-Interprovincial Migration (LHS)	Net-International Migration (LHS)	Change in Occupancy (RHS)
1990	5,593	15,500	
1991	8,983	8,325	-469
1992	2,983	7,437	-1,782
1993	-1,181	8,043	-2,784
1994	-1,630	8,903	-2,814
1995	-556	9,391	-1,412
1996	7,656	8,951	1,498
1997	26,282	8,139	1,658
1998	43,089	5,895	1,662
1999	25,191	7,461	-23
2000	22,674	8,368	660
2001	20,457	12,805	41
2002	26,235	14,165	376
2003	11,903	11,125	62
2004	10,606	12,853	-1,543
2005	34,423	16,142	551
2006	45,795	21,189	1,653
2007	33,809	30,471	-3,841
2008	15,317	36,332	-2,949
2009	13,184	39,010	-1,565
2010	-3,271	24,828	-286
2011	8,443	19,644	-69
2012	27,652	36,913	580
2013	38,598	46,004	1,075
2014	35,382	44,030	1,327
2015	21,594	15,855	726
2016	-15,108	41,304	679
2017	-15,559	30,748	2,296
2018	-3,247	33,543	2,698
2019	-2,032	39,761	1,049
2020	-2,377	32,839	414
2021	-9,458	17,668	3,367
2022	21,660	59,998	5,163

Source: CMHC; Statistics Canada

Figure 2: Monthly rent and carrying cost of ownership, Edmonton CMA

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	$1,237	$9,168	$96
2022	$1,194	$1,272	$1,433	$8,811	$239

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.

Calgary

Figure 1: Inner city resurges in occupancy, but Northeast leads in growth

Zone	Estimated Change in Occupancy
Zone 1 — Downtown	614
Zone 2 — Beltline	561
Zone 3 — North Hill	384
Zone 4 — Southwest	332
Zone 5 — Southeast	456
Zone 6 — Northwest	559
Zone 7 — Northeast	749
Zone 8 — Chinook	323
Zone 9 — Fish Creek	441
Zone 10 — Other Centres	130
Calgary CMA	4,539

Source: CMHC

Figure 2: Same-sample rent increases tend to be greater when vacancy rate below 3%

Year	Same-Sample Rent Change	Vacancy Rate
1991	3.1	3.7
1992	0	5.5
1993	-1.4	5.9
1994	0	5.1
1995	0	3.6
1996	2.4	1.5
1997	7.5	0.5
1998	14.0	0.6
1999	2.2	2.8
2000	1.2	1.3
2001	6.6	1.2
2002	2.5	2.9
2003	0	4.4
2004	0	4.3
2005	1.2	1.6
2006	18.3	0.5
2007	15.4	1.5
2008	4.7	2.1
2009	-3.7	5.3
2010	-2.6	3.6
2011	1.8	1.9

Year	Same-Sample Rent Change	Vacancy Rate
2012	6.1	1.3
2013	7.9	1.0
2014	6.4	1.4
2015	0	5.3
2016	-7.6	7.0
2017	-1.6	6.3
2018	1.7	3.9
2019	1.7	3.9
2020	0	6.6
2021	0	5.1
2022	6.6	2.7

Source: CMHC

Figure 3: Demand is high for more affordable units

Household Income	Universe	Vacancy Rate	CMA Vacancy Rate
<$36K (0%–20%)	2,427	2.6	2.7
$36K–64K (20%–40%)	40,244	1.5	2.7
$64K–86K (40%–60%)	7,450	5.7	2.7
$86K–128K (60%–80%)	2,069	12.3	2.7
$128K+	**	**	2.7
Total	52,643	2.6	2.7

Source: CMHC

Note: No units are considered unaffordable for the top 20% of earning households

Saskatoon

Figure 1: Lowest vacancy rate in northeast Saskatoon area

Zone	2020	2021	2022
Central	5.1	5.0	5.3
South	5.4	2.9	2.1
Southeast	7.2	6.5	2.8
Northeast	4.6	3.3	1.3
North	5.7	4.8	3.0
Southwest	10.0	9.6	8.6
West	5.6	4.4	3.9
Saskatoon CMA	5.9	4.8	3.4

Source: CMHC

Figure 2: Rental occupancy continued to outpace increases in supply in 2022

Year	Rental apartment universe: Change in Occupancy (Units)	Change in Universe (Units)
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
2022	816	808

Source: CMHC

Regina

Figure 1: Vacancy rate declines as demand outpaces new supply

Date	Vacancy Rates	Vacancy Rates, 5-YR MA
2012	0.90	0.70
2013	1.80	0.98
2014	2.90	1.44
2015	5.30	2.30
2016	5.40	3.26
2017	7.00	4.48
2018	7.70	5.66
2019	7.80	6.64
2020	7.40	7.06
2021	7.00	7.38
2022	3.20	6.62

Source: CMHC

Figure 2: International migrants support higher demand for rentals

Period	Immigrants	Interprovincal Migrants
1991 to 2000	2,670	10,045
2001 to 2010	9,090	10,175
2011 to 2015	12,835	9,610
2016 to 2021	14,915	6,630

Source: Statistics Canada

Winnipeg

Figure 1: Purpose-built apartment vacancy rates decline across most CMA zones

CMA zones	Vacancy Rate		Changes in Vacancy rate
	October 2021	October 2022	
Fort Rouge	4.9	2.1	-2.8
Centennial	7.8	5.2	-2.6
Midland	8.1	3.8	-4.3
Lord Selkirk	4.3	4.8	0.5
St. James	3.7	1.5	-2.2
West Kildonan	6.4	5.1	-1.3
East Kildonan	3.1	1.4	-1.7
Transcona	4.0	1.1	-2.9
St. Boniface	3.7	2.4	-1.3
St. Vital	5.0	2.5	-2.5
Fort Garry	4.8	1.7	-3.1
Assiniboine Park	4.3	1.5	-2.8
Outlying Areas	1.0	2.9	1.9
Winnipeg CMA	5.1	2.7	-2.4

Source: CMHC

Figure 2: Growth in same-sample average rent trends downward in response to regulation and rental universe growth

Year	Same-Sample Average Rent	Rental Universe growth
2010	3.6	-1.6
2011	4.6	0.0
2012	3.8	0.5
2013	4.7	-0.4
2014	3.7	3.1
2015	3.6	2.6
2016	2.1	0.3
2017	3.9	3.3
2018	4.0	4.1
2019	3.5	1.5
2020	3.0	3.0
2021	2.6	4.7
2022	1.7	3.5

Source: CMHC

Figure 3: Households in lowest income quintile have limited rental options

Quintile	Income	Share of rental universe	Vacancy rate
Q1	< $27K	4.2	2.6
Q2	$27K–45K	45.6	2.5
Q3	$45K–64K	85.7	2.5
Q4	$64K–88K	98.1	4.3
Q5	$88K+	100.0	7.7

Sources: CMHC, Statistics Canada.

Hamilton

Figure 1: Number of temporary residents in Ontario on a study permit (12-month period)

Period	Number of temporary residents
Oct 2018–Sept 2019	201,055
Oct 2019–Sept 2020	146,290
Oct 2020–Sept 2021	197,285
Oct 2021–Sept 2022	271,830

Source: Immigration Refugees and Citizenship Canada

Figure 2: Year-over-year change in Hamilton CMA full-time employment (%)

Date	Age Group	
	15–24	25–44
October 2020	-7.6	-2.6
October 2021	-3.8	-4.4
October 2022	5.7	13.1

Source: Statistics Canada (Labour Force Survey)

Sudbury

Figure 1: Stronger population growth in tight market underscores need for more housing supply (persons, 000s)

Year	Annual Population Estimates
2012	140.8
2013	141.1
2014	140.9
2015	140.8
2016	141.2
2017	142.1
2018	143.8
2019	144.7
2020	145.6
2021	145.6
2022	146.1

Source: Statistics Canada

Kitchener-Cambridge-Waterloo

Figure 1: Lowest vacancy rate in 20 years drives extraordinary rent growth

Year	Vacancy Rate (%)	Rent Growth Rate (%)
2000	0.8	5
2001	0.9	3.5
2002	2.2	3.9
2003	3.2	2.6
2004	3.5	1.8
2005	3.3	1.2
2006	3.4	1.5
2007	2.9	0.9
2008	1.9	1.2
2009	3.4	1.8
2010	2.6	1.7
2011	1.8	1.5
2012	2.6	3
2013	3	3.4
2014	2.4	1.7
2015	2.5	2.4
2016	2.3	2.9
2017	1.9	3.3
2018	3	5.5
2019	2	5
2020	2	3.9
2021	2	5.5
2022	1.2	7.2

Source: CMHC

Figure 2: Historically high rates of immigration and the return of students contribute to strong rental demand

PR ADMISSIONS

Month	2018	2019	2020	2021	2022
January	285	210	385	475	825
February	630	485	835	840	1,635
March	945	870	1,095	1,220	2,420
April	1,245	1,225	1,195	1,760	3,130
May	1,585	1,670	1,350	2,270	3,705
June	1,945	2,095	1,680	2,965	4,405
July	2,320	2,630	1,835	3,690	5,080

Month	2018	2019	2020	2021	2022
August	2,595	3,075	1,960	4,560	5,610
September	2,985	3,525	2,180	5,530	6,400
October	3,320	3,975	2,465	6,560	-
November	3,630	4,350	2,780	7,750	-
December	3,955	4,575	3,040	8,865	-

STUDY PERMITS

Month	2018	2019	2020	2021	2022
January	12,300	12,280	10,565	11,150	18,535
February	17,505	19,165	15,690	20,200	31,605
March	24,635	28,185	20,205	31,345	44,465
April	41,220	44,955	28,790	47,755	69,645
May	52,755	58,275	43,800	59,415	89,110
June	67,365	69,665	52,505	73,450	104,965
July	81,115	86,090	59,025	93,065	122,050
August	122,870	141,655	78,105	136,830	185,700
September	140,640	161,025	104,085	175,190	219,005
October	148,670	167,890	110,935	189,460	-
November	158,820	173,540	116,825	199,200	-
December	181,050	203,960	127,165	228,610	-

Source: IRCC Monthly Updates

Belleville

Figure 1: Rent of vacant apartment units 15.6% higher than rent of occupied units, all bedroom types, Belleville CMA ($)

	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
2022	1,435	1,241

Source: CMHC

Peterborough

Figure 1: Peterborough 2022 vacancy rate lowest among Ontario CMAs

Region	Vacancy Rate
Hamilton	1.9%
ONTARIO	1.8%
Windsor	1.8%
London	1.7%
Toronto	1.6%
Brantford	1.5%
Guelph	1.5%
Kitchener-Cambridge-Waterloo	1.2%
Kingston	1.2%
Peterborough	1.1%

Source: CMHC

Figure 2: Peterborough vacancy rate below its long-time average for past 7 years

Year	Peterborough — Historical Vacancy Rates by Bedroom Type 1990 to 2022 Apartment Units	
	Vacancy Rate, %	Average Vacancy Rate, %
1990	2.3	3.1
1991	2.7	3.1
1992	3.6	3.1
1993	4.9	3.1
1994	4.6	3.1
1995	3.3	3.1
1996	5.5	3.1
1997	5.8	3.1
1998	4.9	3.1
1999	4.4	3.1
2000	3.2	3.1
2001	3.7	3.1
2002	2.6	3.1
2003	1.4	3.1
2004	1.7	3.1
2005	2.8	3.1
2006	2.8	3.1
2007	2.8	3.1
2008	2.4	3.1
2009	6.0	3.1
2010	4.1	3.1
2011	3.5	3.1
2012	2.7	3.1
2013	4.8	3.1
2014	2.9	3.1
2015	3.7	3.1
2016	1.0	3.1
2017	1.1	3.1
2018	1.5	3.1
2019	2.1	3.1
2020	2.6	3.1
2021	1.0	3.1
2022	1.1	3.1

Source: CMHC

Figure 3: Rent of vacant apartment units 19% higher than rent of occupied units, all bedroom types, Peterborough CMA ($)

Year	Vacant Units	Occupied Units
2018	1,025	1,027
2019	1,106	1,052
2020	1,318	1,119
2021	1,479	1,208
2022	1,481	1,242

Source: CMHC

Windsor

Figure 1: Total vacancy rate at historic low

Year	Private Apartment Vacancy Rate
2002	3.9
2003	4.4
2004	8.8
2005	10.1
2006	10.4
2007	12.9
2008	14.5
2009	13
2010	10.9
2011	8.3
2012	7.2
2013	6.1
2014	4.5
2015	3.8
2016	2.8
2017	2.4
2018	2.9
2019	2.8
2020	3.5
2021	3.4
2022	1.8

Source: CMHC

St. Catharines-Niagara

Figure 1: Apartment completions at 30-year high

Year	Rental	Condo
1992	220	192
1993	390	22
1994	0	0
1995	141	127
1996	18	50
1997	3	16
1998	8	96
1999	40	0
2000	0	90
2001	75	0
2002	22	34
2003	4	4
2004	4	0
2005	12	4
2006	105	0
2007	40	0
2008	56	22
2009	0	3
2010	120	72
2011	0	12
2012	82	0
2013	140	39
2014	191	20
2015	6	28
2016	92	44
2017	166	42
2018	61	19
2019	108	33
2020	124	88
2021	313	33
2022	321	462

Source: CMHC

Completions over the 12 months period between July 1 and June 30.

Figure 2: Full-time employment growth supports renter household formation

Age	2021 Year-to-Date*	2022 Year-to-Date*	Percentage
15–24	11,867	16,300	37.4%
25–44	69,200	81,200	17.3%
45–64	68,367	68,433	0.1%
65 and over	5,933	8,600	44.9%

Source: Statistics Canada Labour Force Survey

*Year-to-Date refers to January to September.

London

Figure 1: Higher average rent increase in turned-over units, London CMA

Unit Type	Percentage Change
Overall Average	5.8
Units that Did Not Turn Over	2.1
Turned Over Units	25.7

Source: CMHC

Figure 2: Limited affordable housing options for lowest-income households, London CMA

Renter Household Income Range	Number of Affordable Units in the Universe Per 10 Households
Less Than $28K	1.5
$28K–40K	12.7

Source: CMHC

Figure 3: London's condominium market had smaller share of overall rental market in 2022

Year	Share
2015	5.6%
2016	5.6%
2017	4.9%
2018	4.4%
2019	5.3%
2020	5.3%
2021	6.3%
2022	5.8%

Source: CMHC

Kingston

Figure 1: Kingston 2022 vacancy rate one of the lowest in Ontario

Region	Vacancy Rate
Hamilton	1.9%
ONTARIO	1.8%
Windsor	1.8%
London	1.7%
Toronto	1.6%
Brantford	1.5%
Guelph	1.5%
Kitchener-Cambridge-Waterloo	1.2%
Kingston	1.2%
Peterborough	1.1%

Source: CMHC

Figure 2: Higher number of permanent resident admissions to Kingston CMA in the first nine months of 2022

Quarter	2018	2019	2020	2021	Q1–Q3, 2022
Q1	150	120	115	120	250
Q2	120	160	75	200	240
Q3	140	200	70	275	275
Q4	165	110	110	375	-

Source: IRCC, September 30, 2022

Figure 3: Average rent of turnover two-bedroom apartments increased in 2022

Year	Average Rent of Non-turnover Units	Average Rent of Turnover Units
2021	1,360	1,505
2022	1,402	1,612

Source: CMHC

Toronto

Figure 1: Monthly rent and carrying cost of ownership, GTA

Year	Average Rent — Purpose-built	Average Rent — Condo	Carrying Cost — Average Condo*	Own vs Rent (Purpose-built) Gap
2013	$1,126	$1,664	$2,307	$1,181
2014	$1,158	$1,706	$2,301	$1,143
2015	$1,196	$1,749	$2,360	$1,164
2016	$1,229	$1,883	$2,505	$1,276
2017	$1,296	$2,078	$3,107	$1,811
2018	$1,359	$2,221	$3,413	$2,054
2019	$1,452	$2,305	$3,386	$1,934
2020	$1,523	$2,319	$3,435	$1,912
2021	$1,556	$2,292	$3,618	$2,062
2022	$1,653	$2,535	$4,704	$3,051

Sources: CMHC, TRREB. CMHC calculations

*Carrying costs for a condominium are calculated on the average MLS® price, a 5% down payment, the discounted five-year fixed mortgage rate, and a 25-year amortization period. They include condominium fees, property taxes, and mortgage loan insurance.

Figure 2: Rental apartment completions (units), Toronto CMA

Year	Rental apartment completions (units), Toronto CMA
2013	2,302
2014	296
2015	1,390
2016	2,303
2017	1,370
2018	3,128
2019	3,372
2020	3,390
2021	4,282
2022 YTD*	2,995

Source: CMHC

*Year-to-date (YTD) reflects data from January-to-October.

Figure 3: Condominium apartment investor share (%), GTA

Year	Condominium apartment investor share (%), GTA
2004	19.6
2009	20
2013	25.7
2014	28.9
2015	30.1
2016	32.6
2017	32.7
2018	33.1
2019	33.5
2020	33.4
2021	34.7
2022	36.2

Source: CMHC

Ottawa

Figure 1: Study permit holders planning to study in Ontario

Year	Total
2015	21,673
	18,756
	29,861
	23,017
2016	31,683
	31,266
	31,052
	35,437
2017	32,369
	32,735
	44,282
	45,185
2018	43,780
	51,240
	42,747
	45,140
2019	49,929
	49,807
	53,282
	48,084
2020	35,932
	37,954
	29,936
	26,155
2021	55,350
	48,900
	59,349
	61,241
2022	78,152
	70,469
	66,722

Source: Immigration, Refugees and Citizenship Canada

Note: Seasonally adjusted quarterly data.

Figure 2: Proportion of 25-to-44-year-old households that are renter households (%)

Year	Percentage
1991	51
1996	49
2001	47
2006	39
2011	39
2016	44
2021	46

Source: Statistics Canada (1991 to 2021 censuses and 2011 National Household Survey)

Gatineau

Figure 1: Proportion of 25-to-44-year-old households that are renter households (%)

Year	Percentage
1991	41
1996	41
2001	41
2006	34
2011	34
2016	39
2021	43

Source: Statistics Canada (1991 to 2021 censuses and 2011 National Household Survey)

Figure 2: Conventional rental unit completions

Year	Rental Units
2011	280
2012	394
2013	269
2014	536
2015	208
2016	475
2017	504
2018	774
2019	1,219
2020	1,691
2021	1,262
2022	2,095

Source: CMHC

Note: Years from October to September.

Québec

Figure 1: Percentage (%) of households under age 35 that are renter households — Québec CMA

Year	Percentage (%) of renter households among people under age 35 — Montréal CMA
2001	69.3
2006	65.3
2011	60.0
2016	62.9
2021	65.7

Source: Statistics Canada (2001 to 2021 censuses and 2011 National Household Survey)

Figure 2: Rental housing units completed* in the Québec CMA

Year	Conventional rental unit completions
2011–2016	1,178
2017	2,718
2018	2,462
2019	2,509
2020	3,129
2021	3,634
2022	4,567

Source: CMHC

* Data from July to June, for example, from July 2021 to June 2022 for the 2022 period. Data excludes units in seniors' homes.

Montréal

Figure 1: Significant rebound in net migration* to Québec in 2022

Year	Net migration* to the province of Québec
2014	29,167
2015	20,271
2016	41,489
2017	56,426
2018	83,405
2019	85,263
2020	61,276
2021	13,550
2022	82,924

Source: Statistics Canada

*From July of the previous year to June of the current year.

Figure 2: The proportion (%) of households under age 35 that are renter households continues to rise in the Montréal CMA

Period	Proportion (%) of renter households under age 35 in the Montréal CMA
2001	73.0
2006	69.1
2011	66.0
2016	67.9
2021	69.5

Sources: Statistics Canada and CMHC (calculations)

Halifax

Figure 1: Halifax, percent change in same-sample average rents, 2002 to 2022

Year	Average Rent Change(%)	Average Rent Change (%) (1990–2022)
2002	2.4	2.5
2003	2.9	2.5
2004	2.2	2.5
2005	2.1	2.5
2006	2.6	2.5
2007	2.0	2.5
2008	2.0	2.5
2009	2.8	2.5
2010	3.0	2.5
2011	2.0	2.5
2012	2.6	2.5
2013	1.6	2.5
2014	1.7	2.5
2015	2.1	2.5
2016	1.8	2.5
2017	2.3	2.5
2018	2.1	2.5
2019	3.8	2.5
2020	4.1	2.5
2021	5.1	2.5
2022	8.9	2.5

Source: CMHC

Figure 1: Percent of rental units in Halifax affordable for each income quintile, 2022

Income Quintile	Quintile Description	Income ($) of renters in Quintile	Share(%) of affordable units	Suppressed or statistically unreliable
Quintile 1	Lowest 20%	<$28K	3	-
Quintile 2	Second 20%	$28K–46K	37	-
Quintile 3	Middle 20%	$46K–64K	70	-
Quintile 4	Fourth 20%	$64K–101K	96	-
Quintile 5	Top 20%	$101K+	96	4

Source: CMHC, Statistics Canada