HOUSING MARKET INFORMATION

# Rental Market Report

CANADA AND SELECTED MARKETS

January 2024

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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.

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# Canada Overview

## PURPOSE-BUILT RENTAL MARKET

| Vacancy Rate | Average Two-Bedroom Rent |
|---|---|
| 1.5% | $1,359<br>UP by 8.0% |

## CONDOMINIUM APARTMENT MARKET

| Vacancy Rate | Average Two-Bedroom Rent |
|---|---|
| 0.9% | $2,049 |

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.

## HIGHLIGHTS

In most major markets across the country, strong rental demand continued to outpace supply, resulting in tighter markets and lower affordability.

The national vacancy rate for purpose-built rental apartments reached a new low (1.5%) and average rent growth reached a new high (8.0%), as rental conditions continued to tighten in most rental markets.

Supply was unable to keep pace with demand despite an increase in the overall survey universe of rental units.

Immigration supported demand in most large centres such as Toronto, Montréal and Vancouver, while high interprovincial migration contributed in Calgary and Edmonton. Overall, employment gains and low homeownership affordability also supported demand.

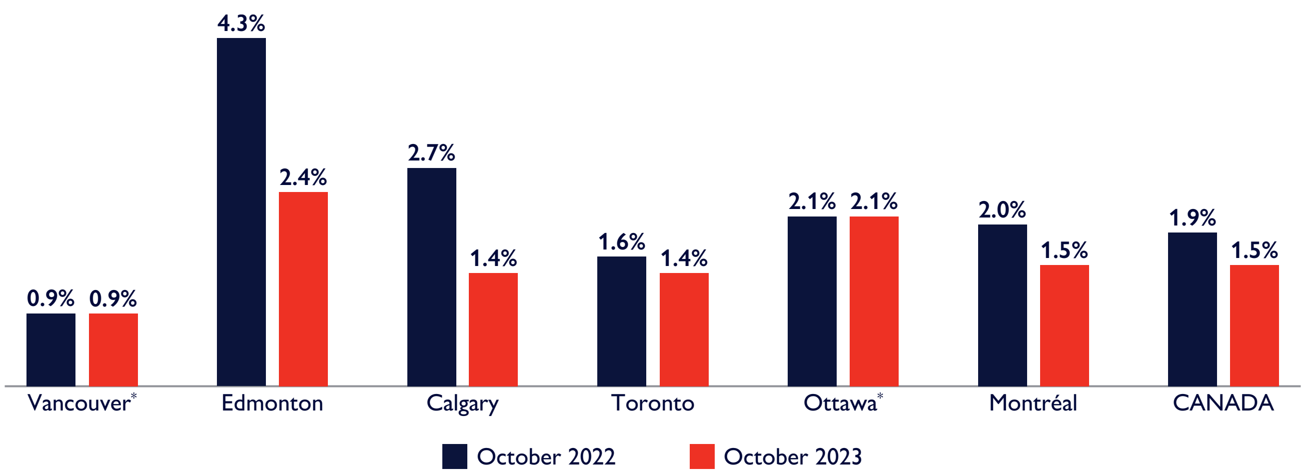
Affordability decreased, as rent growth exceeded average wage growth by a wide margin. Lower-income renters faced below-average vacancy rates for the least expensive units in most cities.

## Canada's rental vacancy rate fell to a new low as demand outpaced supply

The national vacancy rate declined for a second consecutive year. This notable decrease has left the vacancy rate at a new low of 1.5% in 2023 from 3.1% in 2020 and 2021. Rental markets are particularly tight in Canada's main cities (Figure 1).

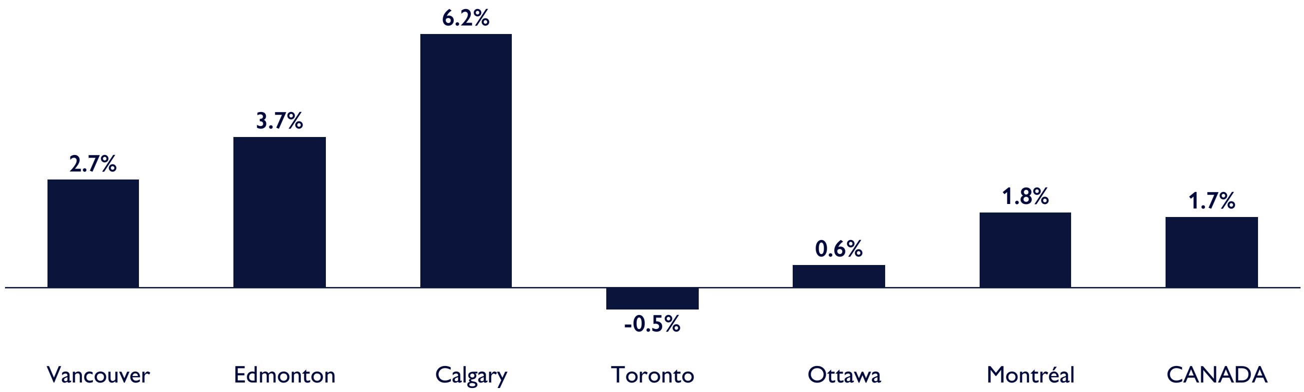
Strong immigration and employment growth pushed up rental demand at the national level. As for supply, it increased again (Figure 2), but not at a strong enough pace to keep up with rental demand.

**Figure 1 Vacancy rates (%) declined in most of Canada's larger rental markets**




*Change in 2023 vacancy rate is not statistically significant. This means that the change from 2022 to 2023 isn't statistically different than zero (0).
"CANADA" includes all centres with at least 10,000 inhabitants.
Source: CMHC; Vacancy rate for privately initiated purpose-built rental apartments (3+ units)

### Figure 2 Supply grew in most markets, but not enough to prevent tightening




Change in the survey universe of privately initiated purpose-built rental apartment universe between October 2022 and October 2023.

Note: Revisions to the Rental Market Survey (RMS) universe may lead to the removal of some dwellings and impact the overall change in the universe. See the Methodological Appendix at page 119 for more details.

Source: CMHC

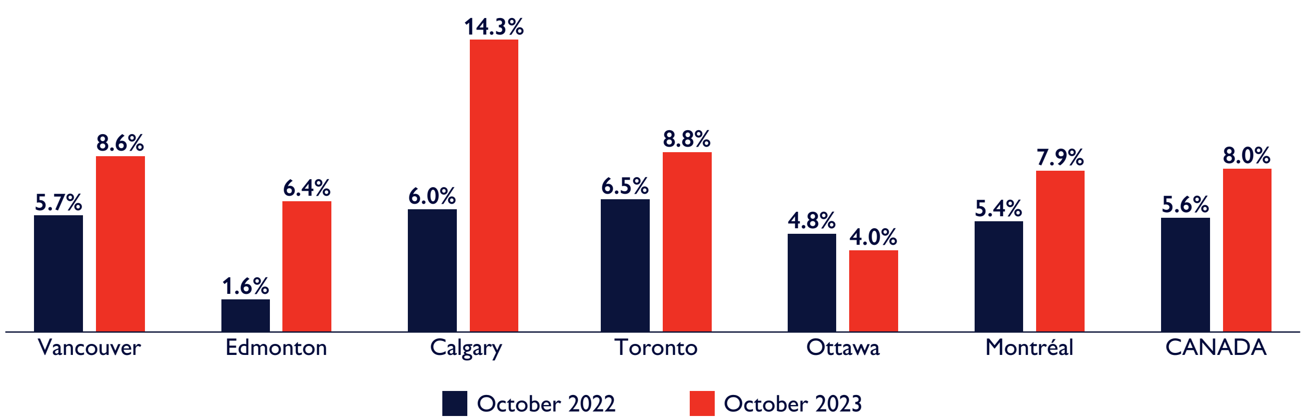
## Vacancy rates fell in most of Canada's larger markets

In 2023, Toronto, Montréal, Calgary and Edmonton all reported significantly lower vacancy rates (Figure 1). Vacancy rates held steady in Vancouver and Ottawa. These markets remain tight, as this stability follows significant declines in 2022. In fact, Vancouver remains Canada's tightest major market.

Calgary and Edmonton saw relatively steep declines, bringing the vacancy rate in both centres below the 3% mark. This change indicates that, in Alberta's major markets, growth in rental demand was strong compared to growth in supply in 2023, which is consistent with their relatively strong demographic and employment conditions.

While Montréal didn't see as large a decline as other major markets, trends in this city tend to drive aggregate national trends because of its large rental market, representing 28.4% of the 2023 rental universe. This exceeds the next 2 largest shares combined (Toronto at 14.6% and Vancouver at 5.5%).

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




"CANADA" includes all centres with at least 10,000 inhabitants.

Source: CMHC; Rent growth in 2023 measured for 2-bedroom units in privately initiated apartment structures of three or more units common to both the 2022 and 2023 surveys

## Average national rent growth reached a new high as major rental markets tightened

Growth in the average rent for 2-bedroom purpose-built apartments common to both the October 2022 and October 2023 surveys (referred to as "same-sample" rent growth) accelerated sharply to 8.0% from 5.6% over the previous 12-month period (Figure 3). This is a new high, well above the 1990-to-2022 average of 2.8%. Rent growth exceeded both inflation (4.7%) and wage growth (5%),[1] indicating a decline in affordability.

Most markets reported higher rent growth, consistent with the observed decline in vacancy rates. Not surprisingly, Calgary and Edmonton saw the sharpest acceleration in rent growth among the largest markets.

Toronto, Montréal, and Vancouver also saw rent growth accelerate. While Vancouver's vacancy rate held steady, it still posts one of the lowest rates in Canada.

In terms of rent levels, Vancouver remains the most expensive rental market ($2,181 average monthly rent for a 2-bedroom purpose-built apartment), followed by Toronto ($1,961). The least expensive rental markets remain concentrated in Québec, exemplified by Montréal's relatively low average 2-bedroom rent ($1,096) when compared to other large centres.

## New tenants in Vancouver and Toronto faced much higher rents

Tight market conditions were also reflected in high rents for turnover units again in 2023, the average rents in turnover units exceeded rents in non-turnover units by 13% (Canada Table 6.1). A unit is counted as "turned over" if it was occupied by a new tenant who moved in during the 12-month survey period. This difference varied across regions, with Calgary (9%), Edmonton (3%) and Montréal (10%) reporting much lower gaps than Vancouver (27%), Toronto (31%), and Ottawa (21%).

Several factors can explain the higher "turnover" rent and how it compares to the non-turnover rent. Once a unit turns over, it becomes subject to market demand. In markets where supply is not keeping up with demand, rents can increase significantly when a unit is turned over. Another source of rent pressure on turnover units is renovations and repairs.

## Immigration, employment growth and increased costs of homeownership supported higher rental demand

Strong rental demand was supported by:

- increased immigration. New immigrants have a high tendency to rent;
- employment growth for those aged 15 to 24. Younger households have an above-average tendency to rent; and
- a higher overall tendency to rent due to the low affordability of homeownership.

Demographic developments favoured demand, and had uneven regional impacts.

The growth rate of the population aged 15 to 24 (a basin of potential new renters) accelerated in 2023, following weak growth in 2022. In fact, the 15-to-24 age group saw higher growth than other age groups in 2023 in most provinces. Alberta saw particularly strong growth in this age group, which was more than twice the national average. The Alberta case likely reflects high net inflows of working-age interprovincial migrants to the province. In 2022, Alberta was the destination for most interprovincial migrants by far, and inflows are even higher so far in 2023. Migrants are likely drawn to Alberta, at least partly, by the relatively strong employment growth in Calgary and Edmonton as well as lower home prices relative to Toronto and Vancouver.

Net immigration to Canada has trended sharply higher since 2020, reaching new highs and providing a strong push to rental demand in the 3 largest cities of Toronto, Montréal and Vancouver. These markets are also the destination for many international students to Canada, the number of whom has also reached new highs since 2020, putting further upward pressure on rental demand in these centres.

In 2023, employment grew across Canada's largest markets, contributing to rental demand. Employment growth was also observed for Canadians aged 15 to 24, prompting them to enter the rental market. There were important differences across the country. Québec and Ontario saw the highest employment growth for 15-to-24-year-olds, which was likely a factor driving demand in Toronto and Montréal.

[1] Statistics Canada Table 18-10-0004-01 (CPI) and Statistics Canada Table 14-10-0134-01 (average hourly wage rate). Monthly CPI and wage data were annualized over the 12-month October-to-September periods of 2022 and 2023 to calculate the 2023 growth rate.

The low affordability of homeownership continued to encourage rental demand, adding to the upward pressure from the labour market and demographic factors. Higher mortgage rates and high home prices in recent years decreased the capacity of renters to transition to homeownership. In Toronto and Vancouver, Canada's most expensive homebuying markets, monthly housing expenses if buying a median-priced home in the second quarter of 2023 were over 50% of the median household income.

In 2023, most major centres saw turnover rates decline for a second consecutive year. For many, renting a newly turned over apartment or buying a home is significantly harder to achieve. Both of these factors contributed to the decline in turnover rates from 13.6% to 12.5% in 2023 (Canada Table 1.0). A lower turnover rate indicates a reduced ability or willingness of households to leave a rental unit.

## Affordability challenges increased across multiple indicators in most markets

With high inflation and rents growing faster than incomes, it's understandable that many households have had more difficulty paying rent. Several major centres saw increases in arrears. As a result, nationally, the share of purpose-built rental units in arrears increased from 6.5% in 2022 to 7.8% in 2023 (Canada Table 5.0).

Among major centres, Toronto had the largest increase in arrears. This left its arrears rate (19.6% of the rental universe) at over twice the national average (7.8%). Vancouver (4.1%), Montréal (4.4%) and Ottawa (5.9%) also had higher arrears rates, but they remained well below Toronto's rate. In Calgary (5.8%) and Edmonton (5.6%), arrears rates were lower in 2023 and remained below Toronto's as well.

Lower-income renters face the additional challenge of especially low supply and low vacancy rates for the most affordable units in Canada's major markets.

Table 1 shows the share of units with rents costing no more than 30% of the incomes of those households with the lowest incomes in a city (the first income quintile, representing 20% of the population). The stock of such units is statistically zero in Vancouver, Ottawa and Toronto, and below 20% elsewhere.

While Montréal is an exception in this regard, it's important to note that the more-affordable segment includes smaller unit types — bachelor and 1-bedroom apartments — that may not be suitable for many households.

### Table 1 Low stocks of more-affordable units

Share (%) of units with rent below 30% of income for first income quintile[2]

| Selected CMAs | 2022 | 2023 |
|---|---|---|
| Vancouver | 1.0 | ** |
| Edmonton | 13.0 | 12.7 |
| Calgary | 5.0 | 3.1 |
| Toronto | ** | ** |
| Ottawa | ** | ** |
| Montréal | 23.0 | 18.1 |

**Data suppressed
Sources: CMHC, Statistics Canada Census

Table 2 examines the first rent quartile for 2-bedroom rental apartments, which includes those units with the least expensive rents in each city. It shows that vacancy rates for the least expensive units tend to be well below the average vacancy rate. This indicates that the problem of low supply of more affordable units is compounded by the low availability of those units that do exist.

2 Affordable rent ranges are calculated at the affordability threshold of 30% of monthly income for each quintile. Renter household income (non-subsidized, all household sizes) was derived from Census 2016 and increased according to provincial median weekly wage growth over the corresponding period.



Data isn't available for Montréal's first 2-bedroom rent quartile. However, our data clearly indicates that Montréal also has lower-than-average vacancy rates for its least expensive units (Montréal Table 3.1.8). Please see the Montréal report for more details.

### Table 2 The most affordable units are also the least available

Vacancy rate (%), for first rent quartile (Q1) and total[3], 2-bedroom apartments

| | 2022 | | 2023 | |
|---|---|---|---|---|
| Selected CMAs | Q1 | Total | Q1 | Total |
| Vancouver | 0.4 | 1.0 | 0.7 | 1.1 |
| Edmonton | 5.8 | 3.5 | 3.0 | 1.9 |
| Calgary | 1.7 | 2.5 | 0.8 | 1.3 |
| Toronto | 0.6 | 1.3 | 0.9 | 1.2 |
| Ottawa | 1.9 | 2.4 | 2.4 | 2.3 |
| Montréal | ** | 2.1 | ** | 1.7 |

**Data suppressed
Source: CMHC

## Rental condominium apartment markets also tightened

Rented condominiums account for about 20% of all rented units in 17 surveyed centres across Canada. Two-thirds of Canadian rented condominiums are in Toronto and Vancouver (see these individual reports to understand their rental condominium markets).

Demand dynamics of the purpose-built market also drove the rental condominium market. The average vacancy rate for rental condominiums fell from 1.6% in 2022 to 0.9% in 2023. The average rent for 2-bedroom rental condominium apartments increased significantly from $1,929 to $2,049. Lower vacancies and higher rents signal tightening markets despite a 6.0% growth in the rental condominium universe (Canada Table 4.2). Overall, results for both the purpose-built and rental condominium markets reinforce the importance of addressing supply gaps to improve housing affordability for Canadians.

[3] The vacancy rate for the first rent quartile is the vacancy rate for the 25% of units with the lowest rent level within each CMA.

# Vancouver

## PURPOSE-BUILT RENTAL MARKET

| Vacancy Rate | Average Two-Bedroom Rent |
|---|---|
| 0.9% | $2,181 |
| | UP by 8.6% |

## CONDOMINIUM APARTMENT MARKET

| Vacancy Rate | Average Two-Bedroom Rent |
|---|---|
| 0.9% | $2,580 |

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.

## HIGHLIGHTS

The total vacancy rate was unchanged at 0.9%. Rental demand was driven by record immigration and decreases in homeownership affordability.

The purpose-built rental universe grew by 2.7%, mainly from new developments in the cities of Vancouver and Surrey.

Two-bedroom rents grew by 8.6% on average. This growth was driven by large increases in rents of units at turnover.

Affordability worsened for low-income households: vacancy rates for the most affordable units were lower than average, and these households already spend a greater share of their income on rent.

## Vacancy rates unchanged as new rental supply was quickly absorbed

The rental market in the Vancouver census metropolitan area (CMA) stayed constrained in 2023 as the average vacancy rate for purpose-built rental apartments remained unchanged at 0.9% (Table 1.1.1). Record immigration to British Columbia put further pressure on the rental market, since recent immigrants tend to be renters.[1] At the same time, rising mortgage costs and higher income requirements likely delayed home purchases, causing potential buyers to stay in the rental market.

The average vacancy rate was unchanged in the CMA. At the neighbourhood level, meanwhile, most areas saw decreased or unchanged vacancy rates despite an increase in the universe. Notably, the Kerrisdale/Westside neighbourhood in the City of Vancouver saw a vacancy rate decrease of 1.5 percentage points (Table 1.1.1). This was likely due to increased uptake of new units in the neighbourhood, which more than compensated for an exceptional supply growth in 2022.

In the few areas that showed an increase in vacancy, the increase likely resulted from newly completed rental buildings that weren't completely rented out.

## Immigration drove renter demand in Metro Vancouver

Immigration was the main driver of population growth in the province in the first half of 2023. While net interprovincial migration declined, hitting negative levels during the survey period, net international migration to British Columbia grew by 56% compared to the first half of 2022.[2] This surge in immigration is in line with what was observed in other major centres in Canada and drove rental demand in those regions. In British Columbia, most new immigrants settle in Vancouver.

Vancouver hosts several post-secondary institutions that enroll large international student populations. The University of British Columbia and Simon Fraser University, the 2 largest institutions in the CMA, saw over 23,600 international students enrolled in 2023, similar to international enrollment in 2022.[3,4] There are approximately 16,500 student beds between these two universities.[5,6] As post-secondary students most often choose to rent, increases in the international student population are likely to add to rental demand in the region.

1 An estimated 69% of recent immigrants in the Vancouver CMA indicated that they were renters. Source: 2021 Census of Population.

2 Statistics Canada Tables 17-10-0040-01, 17-10-0020-01.

3 https://scs-senate-2021.sites.olt.ubc.ca/files/UBC-Annual-Enrolment-Report-2022-23.pdf

4 https://www.sfu.ca/content/dam/sfu/irp/students/visa_report/visa.rpt.1237.pdf

5 https://campusvision2050.ubc.ca/39691/widgets/164856/documents/119729

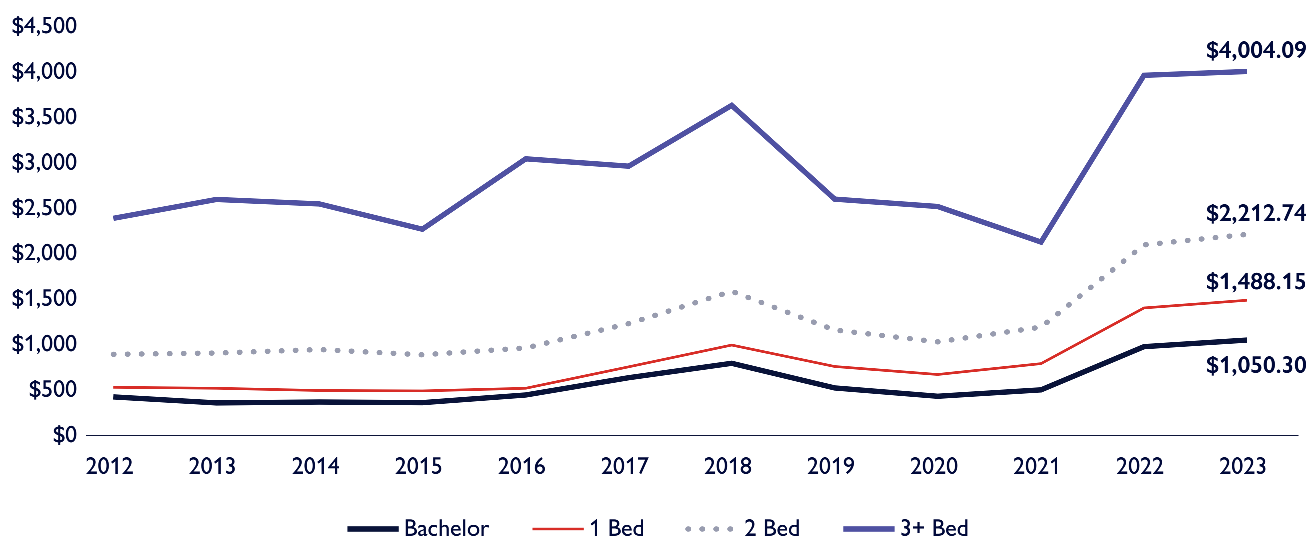
6 https://news.gov.bc.ca/releases/2023PSFS0035-000776#:~:text=It%20brings%20the%20number%20of,2%20includes%20383%20student%20beds.

## Rising mortgage costs and high apartment-condominium prices discouraged potential homebuyers

Homeownership affordability continued to decline in Metro Vancouver as rising mortgage rates pushed carrying costs higher for homebuyers. At the same time, apartment-condominium prices remained high. While prices were slightly lower in 2023, they didn't decrease enough to offset increases to homeownership costs from mortgage payments and rising strata maintenance fees.

The monthly mortgage payment of a typical 2-bedroom condominium sold in 2023 was 7.3% higher than the same payment for a unit sold in 2022. The cost gap between choosing to stay in a condominium on the rental market and choosing to own a similar unit continued to grow.

**Figure 1** **Costs between owning and renting an apartment continues to widen as ownership costs grow**




Note: Assuming a 20% down payment, 25-year amortization, 5-year discounted fixed mortgage rate. Figure includes strata fees, taxes and average prices for condominiums sold in each year.

Source: CMHC, GVREB, FVREB, Ratehub

## Purpose-built universe continued to expand, but at a slightly slower pace

The purpose-built rental apartment universe grew by 3,144 units, or 2.7%. This growth was slightly lower than that seen in 2022, but still above the trailing 5-year average (Table 1.1.3). Most of the increase in the universe was seen in 1-bedroom units as new developments in the City of Vancouver and Surrey were completed. Areas such as Southeast Vancouver, the Tri-Cities, and Surrey are expected to see the largest growth in rental supply in the near future.

While most zones saw an increase in the rental universe, there were a few exceptions, notably in North Burnaby and the Tri-Cities. The universe decreases in these zones are likely due to apartments being reclassified as social and affordable homes, or their demolition for a new project.

## Rent growth continued to accelerate in most of Metro Vancouver, worsening affordability

Increases in same-sample rents continued to accelerate in 2023, as the average increase across all bedroom types reached 9.7%, up from 6.3% in 2022 (Table 1.1.5). Vancouver falls under the provincially legislated rent increase limit of 2%, which holds the rents of the vast majority of units below market levels. The larger increase in same-sample rent reflects the increased rental demand that the Vancouver CMA is facing.

As rental demand continues to increase, renters with lower incomes will face greater pressure as rents outpace their wage growth. In 2023, a minimum-wage worker renting at the average bachelor unit rent would see over 50% of their monthly income go towards rent. Those entering the market or moving may see more challenge as asking rents are typically above the current average. Lower-income renters are also more likely to seek more affordable but smaller units or shared living arrangements that will fit their budget but that may not meet their housing needs.

The availability of affordable market units remained low in Metro Vancouver. The vacancy rate for 2-bedroom units that are the cheapest 25% in the CMA was 0.6%. Low vacancy rates for cheaper units will likely lead to low turnover as renters are left with few options.

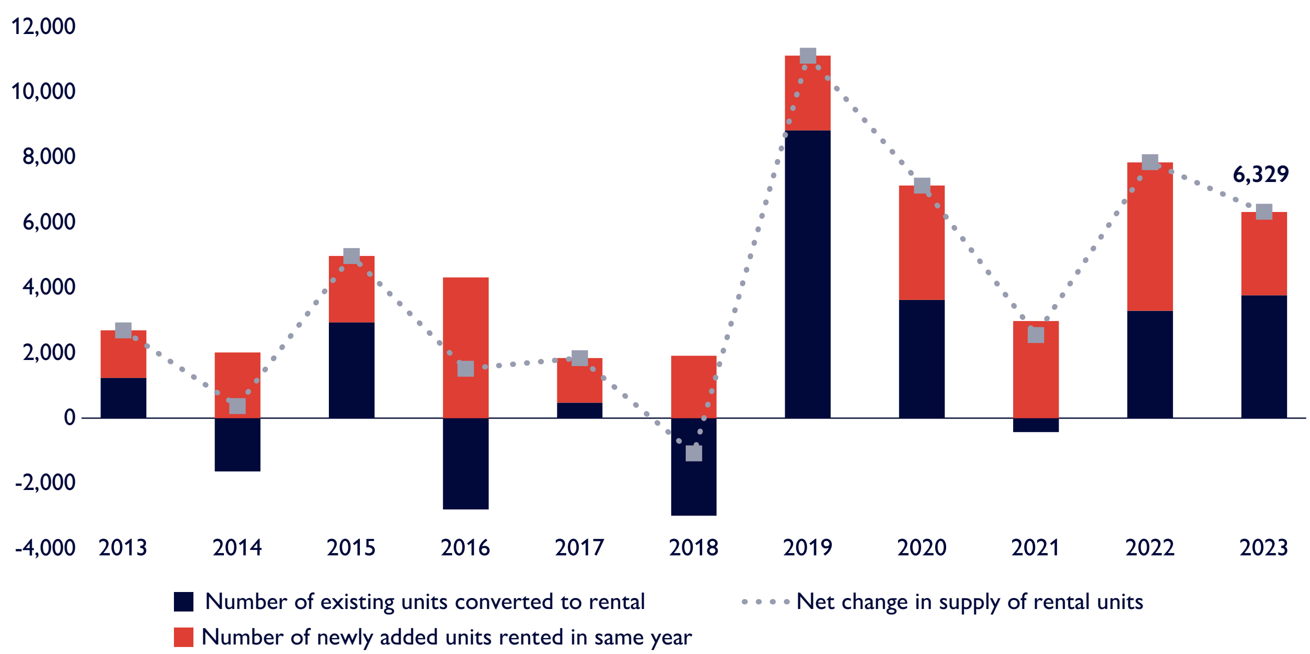
The average turnover rate for all bedroom types fell further in 2023, to 8.1% from 10.7% in 2022 (Table 1.1.6). In the CMA, the average rent for units that turned over were 26.6% higher than units that didn't turn over in 2023 (Table 6.1). Should rents continue to increase at present rates, the turnover rates would likely keep falling as long-tenured renters face large rent premiums if they move.

As rent control holds continuously occupied units below market prices, decreasing turnover rates lead to smaller total increases in revenue for rental owners. Given recent cost inflation, it's likely that rent increases weren't enough to offset higher building maintenance costs. This would lead to lower incentives for investments in rental developments.

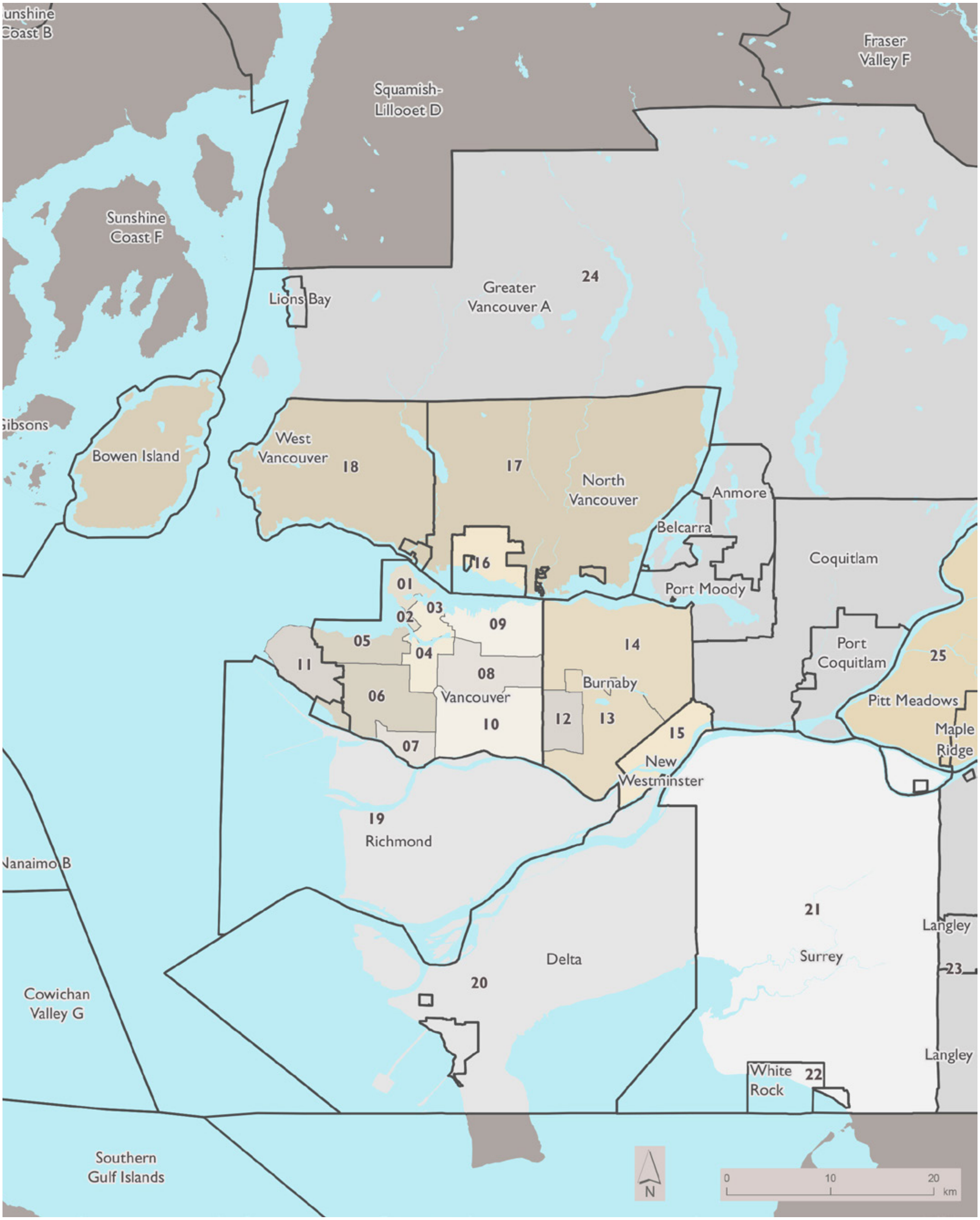
## Rental condominium growth continued to be an integral part of rental supply growth in Metro Vancouver

Demand for rental condominiums reflected overall tightening of rental demand in Vancouver as the vacancy rate for these units fell from 2.2% in 2022 to 0.9% in 2023. At the same time, this segment expanded by 6,329 units, or 7.2%. While this growth continued to be significantly higher than the ten-year average by 62%, this was a slowdown compared to the 7,850 units added to the condominium rental universe in 2022. Most of this drop is attributable to fewer newly added apartment-condominium that were rented in the same year. This is mainly due to fewer condo completions in 2023. It is also likely that prevailing mortgage rates have discouraged some potential investors from purchasing and renting more new condos this year.

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




Source: CMHC


Sunshine Coast B
Squamish-Lillooet D
Fraser Valley F
Sunshine Coast F
Lions Bay
Greater Vancouver A
24
Gibsons
Bowen Island
West Vancouver
18
17
North Vancouver
Anmore
Belcarra
16
Coquitlam
Port Moody
01
02
03
09
05
04
14
11
08
Port Coquitlam
25
06
Burnaby
Vancouver
Pitt Meadows
12
13
10
15
Maple Ridge
07
New Westminster
19
Richmond
Nanaimo B
21
Langley
Surrey
Delta
23
20
Cowichan Valley G
Langley
White Rock
22
Southern Gulf Islands
N
0
10
20
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** |

NOTE: Refer to RMS Zone Descriptions page for detailed zone descriptions.

# Victoria

## PURPOSE-BUILT RENTAL MARKET

| Vacancy Rate | Average Two-Bedroom Rent |
|---|---|
| 1.6% | $1,839 |
| | UP by 7.9% |

## CONDOMINIUM APARTMENT MARKET

| Vacancy Rate | Average Two-Bedroom Rent |
|---|---|
| 0.1% | $** |

**Data supressed.

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.

# HIGHLIGHTS

The vacancy rate increased slightly to 1.6%, but remained low as renters absorbed most of the new supply.

Continued record-high immigration and a robust labour market supported rental demand in 2023.

The average rent for purpose-built two-bedroom apartments grew by 7.9%, driven by continued rental demand.

The purpose-built rental universe grew by 5%, continuing rapid expansion of rental stock, especially in Langford.

Affordability for low-income earners worsened as wages were unable to keep up with rising rents.

## Vacancies remain low as rental demand persists

The overall vacancy rate for purpose-built rental apartments was statistically unchanged at 1.6% in 2023, showing signs that the rental market is still tight (Table 1.1.1). Vacancies rose in the:

- Cook St. Area
- Remainder of the City

The increase in vacancy in these 2 zones was likely due to high universe growth of 5.2% and 9.5%, respectively. The growth in these zones made up more than half of the growth of the purpose-built rental apartment universe in 2023 (Table 1.1.3). Together, there was an estimated increase of 88 vacant units in these areas.

In the condominium rental sector, persistently strong rental demand was also evident. The average vacancy rate fell to 0.1%, a negligible difference from 2022 (Table 4.2.1). Continued near-zero vacancy rates support the need for more rental supply in the region.

## Strong immigration and labour markets support demand in the region

Record immigration in the first half of 2023 into British Columbia supported rental demand in the Victoria CMA. While the large majority of immigrants to the province are likely to settle in Vancouver, continued immigration is also likely to result in more migrants settling in Victoria. Immigration to the province was the primary driver of population growth in 2023 as net interprovincial migration was negative for the first half of the year.[1]

A strong labour market also supported demand as the unemployment rate fell slightly in 2023 compared to 2022. While unemployment has risen from recent lows, the overall unemployment rate remains near pre-COVID lows.[2]

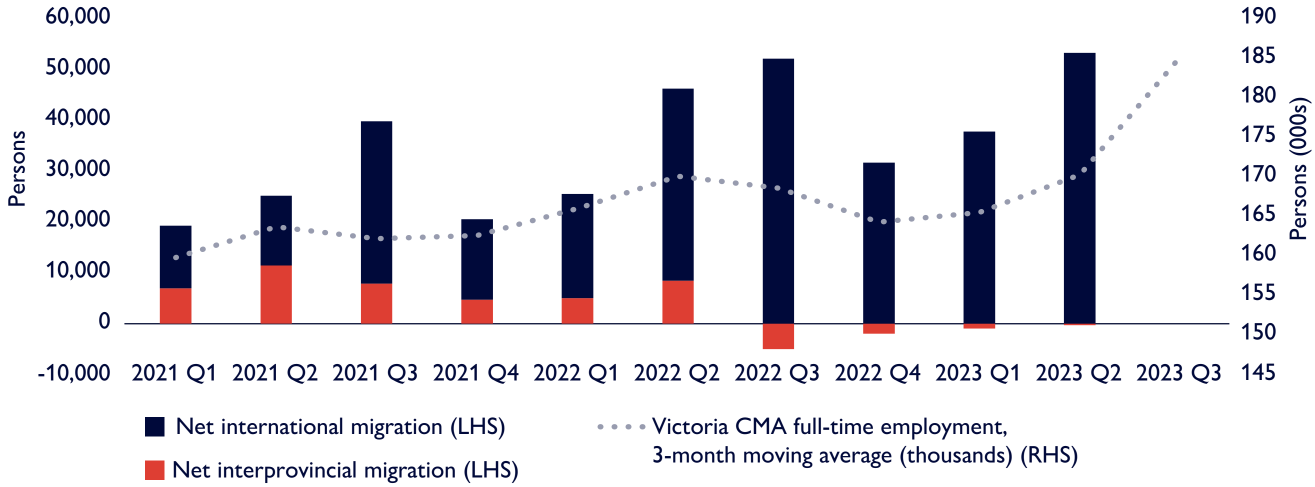
The 2 largest sectors by employment in the Victoria CMA saw significant growth in employment over the past year. These sectors grew by:

- 48% (public administration)
- 16% (health care and social assistance)[3]

The Victoria CMA is home to several post-secondary institutions that are open to international students. Near the city, the University of Victoria hosts an estimated 10,000 international students, while only supplying enough student housing for a quarter of them. These students are likely to seek rental units near the Saanich zone.

1 Statistics Canada Tables 17-10-0040-01, 17-10-0020-01.
2 Statistics Canada Table 14-10-0378-01.
3 Statistics Canada Table 14-10-0379-01.

## Figure 1 Full-time employment grew sharply as net migration hit record levels




Source: Statistics Canada Tables: 14-10-0378-01, 17-10-0020-01, 17-10-0040-01

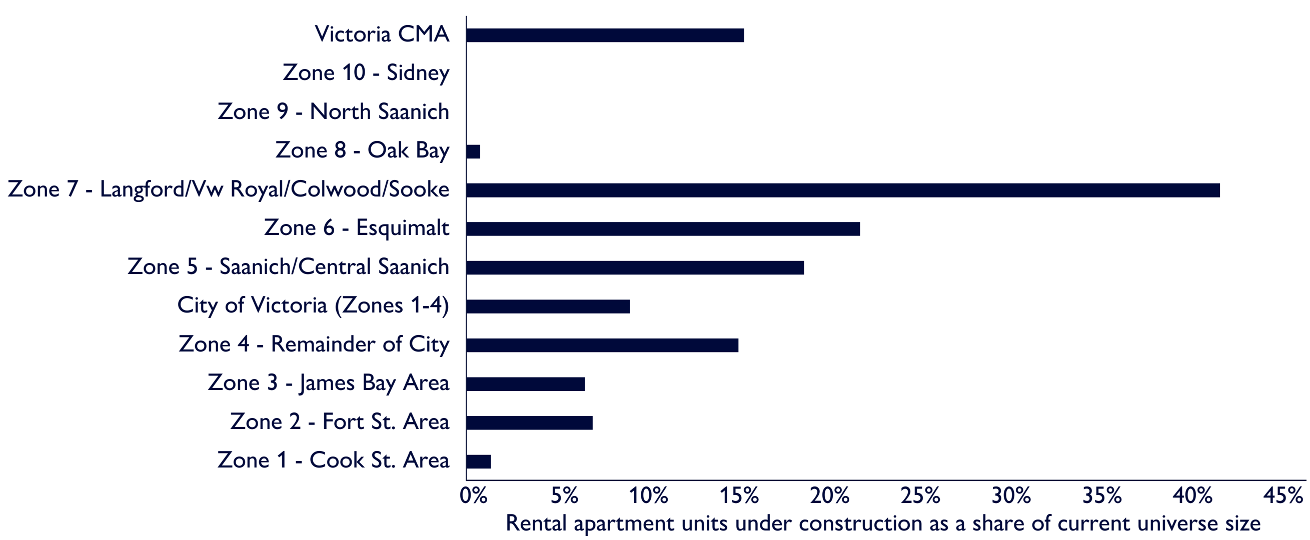
## Purpose-built universe continues to expand quickly to meet rental market demands

The purpose-built apartment universe grew by 4.9% in 2023, a pace similar to last year's growth (Table 3.1.1). This supply growth continues to be well above the trailing 10-year average of 2.6%, as significant shifts in Victoria's rental supply began in 2017.

In the City of Victoria itself, the universe grew by 4.9%, compared to a slightly higher 5.0% in the rest of the CMA. Outside of the city, growth was especially high in the area stretching from Langford to Sooke. New developments in Langford, especially, are driving the rental universe growth in the region, as the city is relatively affordable and development policy is attractive.

Langford and Esquimalt are expected to expand their rental universe quickly in the coming 12 to 24 months based on the number of rental units currently under construction.

## Figure 2 Rental supply in Langford and Esquimalt is likely to expand quickly in the next 2 years




Source: CMHC

## Rents continued to increase rapidly throughout the region driven by demand pressures exceeding supply

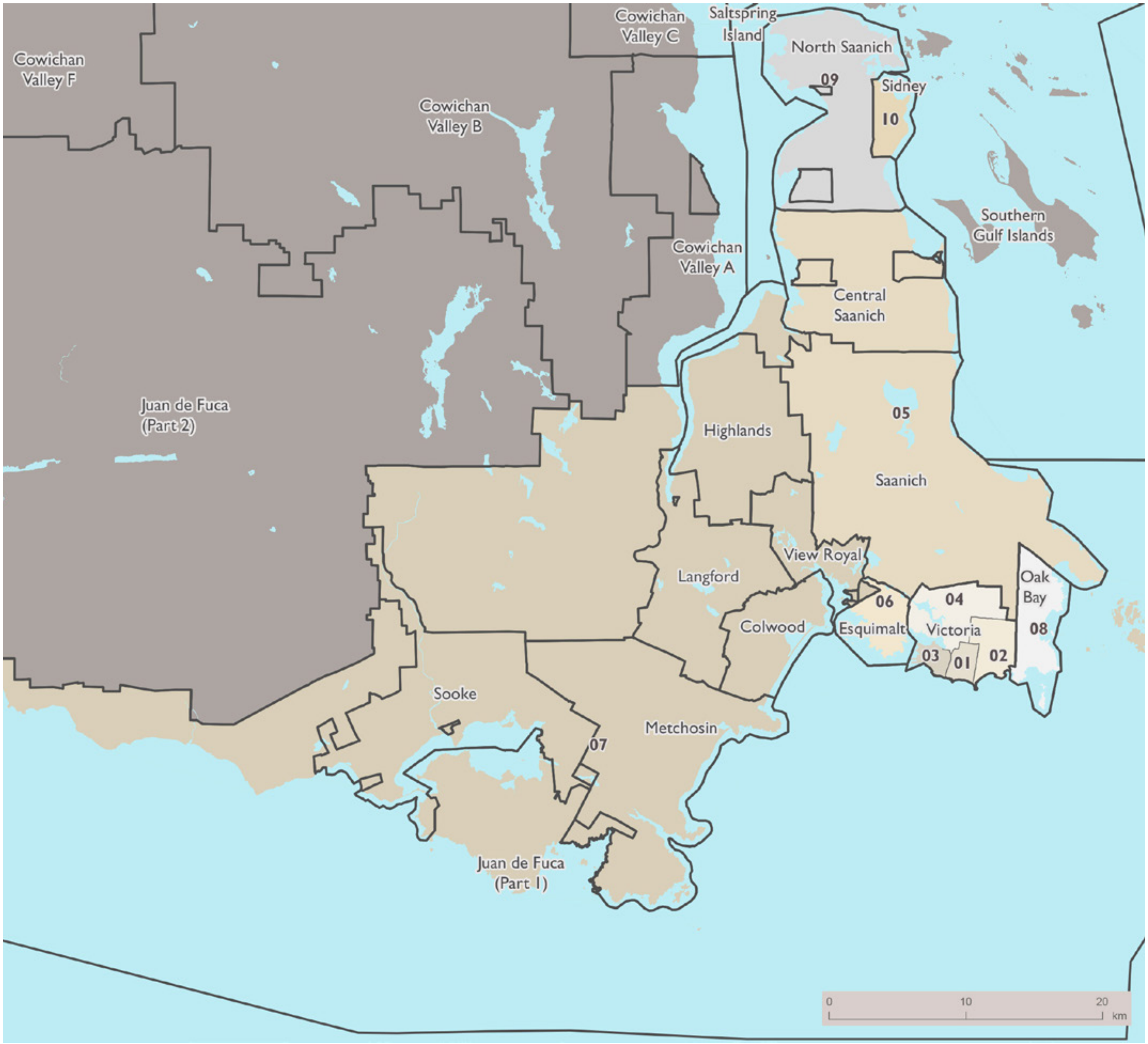
Rents continued to increase at an elevated, but slightly slower pace than 2022. Rents within the City of Victoria continued to increase more quickly than those outside the City, as demand for rentals near the urban centre stayed strong.

Increasing rents put pressure on affordability, especially for lower-income earners. A minimum-wage worker renting at the average rate would have to spend over 40% of their monthly income to rent. Those seeking new accommodations are likely to face rents in the market that are higher than average, constraining renter budgets even more. For those seeking lower-cost units, only 0.9% of the cheapest 25% of 2-bedroom apartments in the CMA were vacant in 2023.

Despite the provincially legislated allowable rent increase of 2% in 2023, rents increased more quickly due primarily to high rental demand. When long-tenured units turn over, their rents increase to better reflect market pricing. Units that experienced turnover in 2023 were 41.5% more expensive than units that didn't turn over in the CMA (Table 6.1).

At the same time, turnover rates increased slightly, mainly driven by increases in turnover in older buildings. However, turnovers in Sidney and Langford-Sooke remain well above the CMA average, as average rents in those areas are also higher than the average in the CMA. Renters there are less discouraged from moving, since they are less likely to be renting at a rate much lower than current market rates in the same area.

New rental completions in areas with small existing rental universes are likely to drive average rents higher in the area, as seen in Sidney.


Cowichan Valley C
Saltspring Island
North Saanich
Cowichan Valley F
09
Sidney
Cowichan Valley B
10
Southern Gulf Islands
Cowichan Valley A
Central Saanich
Juan de Fuca (Part 2)
05
Highlands
Saanich
View Royal
Langford
Oak Bay
06
04
Colwood
Esquimalt
Victoria
08
03
01
02
Sooke
Metchosin
07
Juan de Fuca (Part 1)
0
10
20
km

## 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** |

NOTE: Refer to RMS Zone Descriptions page for detailed zone descriptions.

# Edmonton

## PURPOSE-BUILT RENTAL MARKET

| Vacancy Rate | Average Two-Bedroom Rent |
|---|---|
| 2.4% | $1,398 |
| | UP by 6.4% |

## CONDOMINIUM APARTMENT MARKET

| Vacancy Rate | Average Two-Bedroom Rent |
|---|---|
| 2.5% | $1,359 |

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.

# HIGHLIGHTS

The vacancy rate for purpose-built rental apartments declined from 4.3% to 2.4% in 2023, due to stronger growth in rental demand relative to supply. This is the lowest vacancy rate in almost a decade.

Rental demand was fueled by stronger demographic and economic growth in 2023.

Strong rent growth and declining vacancy rates raised affordability challenges, especially for lower-income households.

The role of the secondary rental market expanded as more condominium apartments were offered as longer-term rentals at similar rents to purpose-built rental apartments.

## Vacancy rate declined further on primary rental market due to higher levels of demand

The overall vacancy rate for purpose-built rental apartments dropped in 2023 to 2.4% (Table 1.1.1) from 4.3% in 2022, as rental demand outpaced new supply entering the market. This is the lowest vacancy rate in almost a decade and marks the second consecutive year of rental market tightening within the CMA driven by:

- growth in population from interprovincial and international migration;
- stable youth employment;
- fewer disruptions to economic activity while energy prices remain above pre-pandemic levels;
- more difficult access to homeownership and
- supply constraints linked to interest rates.

The highest declines in purpose-built apartment vacancy rates were observed in the North Central, Stony Plain, Jasper Place, and University zones. Ongoing in-person learning for university students and increased activities within the downtown area were contributing factors. While vacancy rates across all bedroom types decreased, the largest declines were recorded for bachelor and 1-bedroom units.

Over the past year, Alberta experienced a surge in population. The latest estimates from Statistics Canada indicated that the province had the fastest demographic growth in Canada, at 4.0%,[1] and recorded the highest net interprovincial migration growth rate ever recorded by any province.

In a context of rising costs of living across Canada, Alberta's lower average rents, lower home prices and high incomes in relative terms made it an attractive option for interprovincial and international migrants alike. Despite homebuying being relatively accessible to Edmonton residents, higher financing costs likely kept some potential homebuyers in the rental market longer, further boosting rental demand.

## Same-sample rent increases despite growth in the rental universe

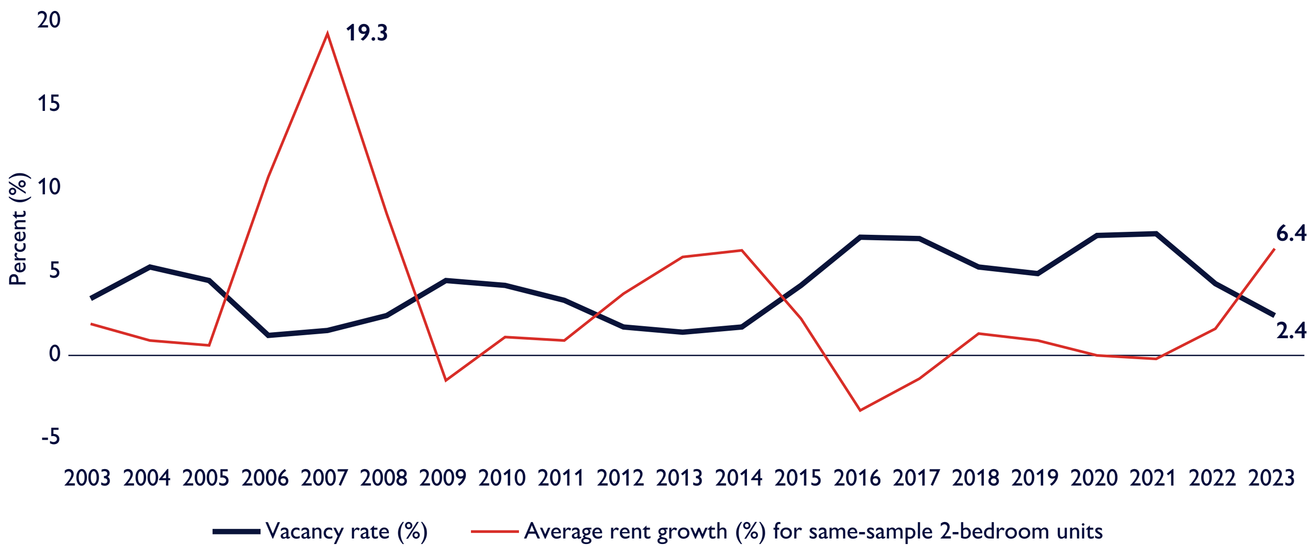
The rental apartment universe in the Edmonton CMA increased by 2,914 units (+3.7%) in 2023. This growth was due mainly to newly completed 1- and 2-bedroom rental apartment units in the Downtown Core, West and Millwoods zones of the city (Table 1.1.3).

[1] Canada's demographic estimates for July 1, 2023: record-high population growth since 1957; (https://www150.statcan.gc.ca/n1/daily-quotidien/230927/dq230927a-eng.htm?utm_campaign=The%20Owl%20-%20Newsletter&utm_medium=email&_hsmi=275988958&_hsenc=p2ANqtz-9rlwiZ7t7AETacuTYgDSSF5VycFS4UY-6i5cdox4E5HZfOOQDPyDClUr4GolxPLb5Oe7iF8nEdzhbKZb4aMudbY43ldQ&utm_content=275988958&utm_source=hs_email); StatsCan Table 17-10-0009-01 (https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1710000901)

Additionally, apartment starts in 2023 recorded a significant decline as developers grappled with increased costs, labour shortages and supply chain issues (see Edmonton in the *Housing Supply Report, October 2023*[2]). This situation could potentially pose more challenges to future supply and affordability in Edmonton, depending on how demand evolves over the coming year.

Despite the expansion of the purpose-built rental universe, the same-sample average rent for a 2-bedroom apartment grew by 6.4% in 2023 (Table 1.1.5). In comparison to Calgary's 14.3% average rent increase, the rent growth in Edmonton may have been moderated by a larger rental stock that was better able to absorb demand increases.

**Figure 1 Growth in rental demand resulted in a lower vacancy rate and higher rent growth in 2023**




Source: CMHC

Declining vacancy rates on the rental market and increased costs of homebuying may be leading some tenants to remain in their units longer, lowering the turnover rate. Turnover rates declined from 30.4% to 28.1% in 2023, but remained above the national average (Table 1.1.6).

## Affordability gap widens for lower-income households

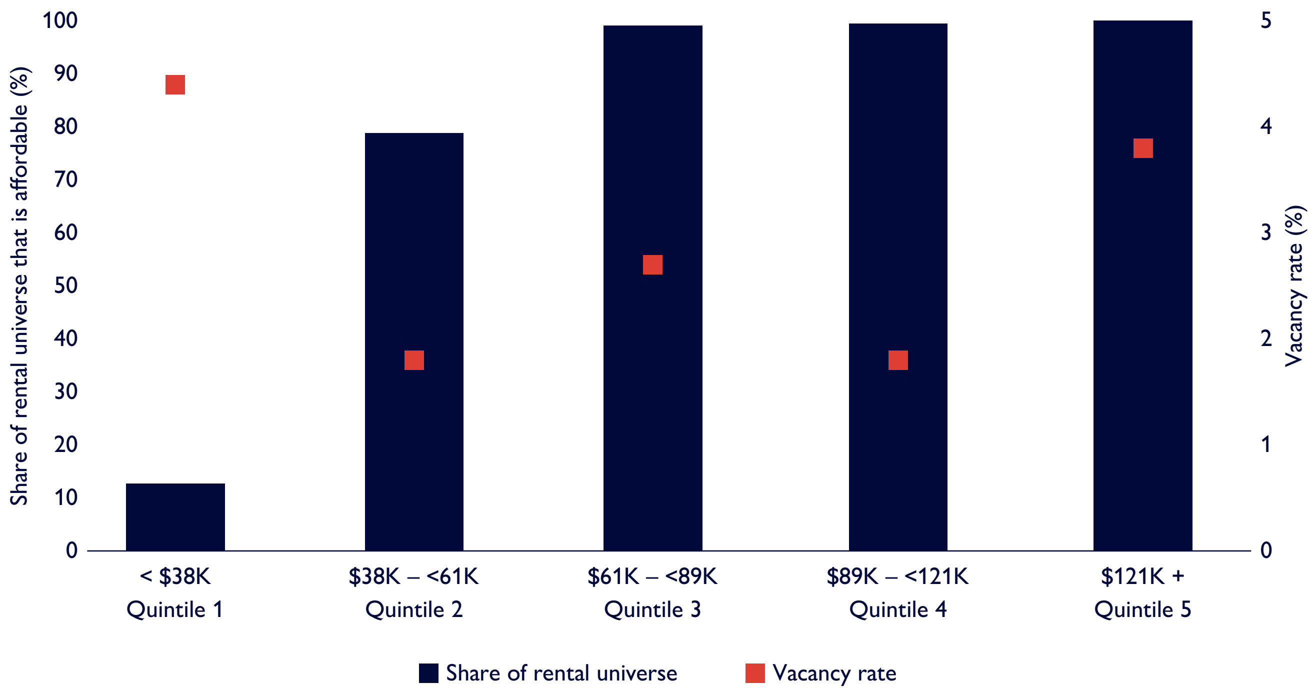
Among the larger CMAs in Canada, the rental market in Edmonton is relatively affordable. However, this is changing gradually, as households are facing increasing affordability challenges stemming from rising rents and lower rental vacancies within the CMA.

Comparing income levels with rents shows that about 12.7% of the purpose-built rental universe would cost less than 30% of income for a household with an income of $38,000 per year (Table 3.1.8). This segment of the universe is made up mostly of bachelor and 1-bedroom units, and that raises concerns about overcrowding for larger lower-income households.

In comparison, households in the next income quintile (earning less than $61,000 per year) have access to a greater share of the purpose-built rental market, at 78.8%. However, this segment has the lowest vacancy rate, at 1.8%.

[2] https://assets.cmhc-schl.gc.ca/sites/cmhc/professional/housing-markets-data-and-research/market-reports/housing-supply-report/housing-supply-report-2023-11-en.pdf?rev=5f769f05-77f8-429c-9e5c-5df399eecb1d&_gl=1*fpjh3s*_ga*MTc5NjkxNDgyMS4xNjcwNTE0OTc0*_ga_CY7T7RT5C4*MTcwMTEwNzg1MC43LjAuMTcwMTEwNzg1MC42MC4wLjA.*_gcl_au*NjkzNDk0NDg1LjE2OTQ2MjUyMDI.

**Figure 2** Households in the lowest income quintile have limited rental options




Sources: CMHC, Statistics Canada Census 2016

Households in the lowest income quintile, earning less than $38,000 per year, have a much smaller number of homes available to them that would be considered affordable. They're the households that are the most affected by a tightening rental market.

## Condominium apartments offered as long-term rentals increased in the CMA

In the past year, Edmonton's condominium market played a bigger role in the overall rental market. Although there was only a small increase in the total condominium universe, the share of these units offered as longer-term rentals increased to 42.6%, adding 1,203 more units (Table 4.3.1). This was due primarily to an increase in condominiums offered in the Central sub-area as rental demand grew.

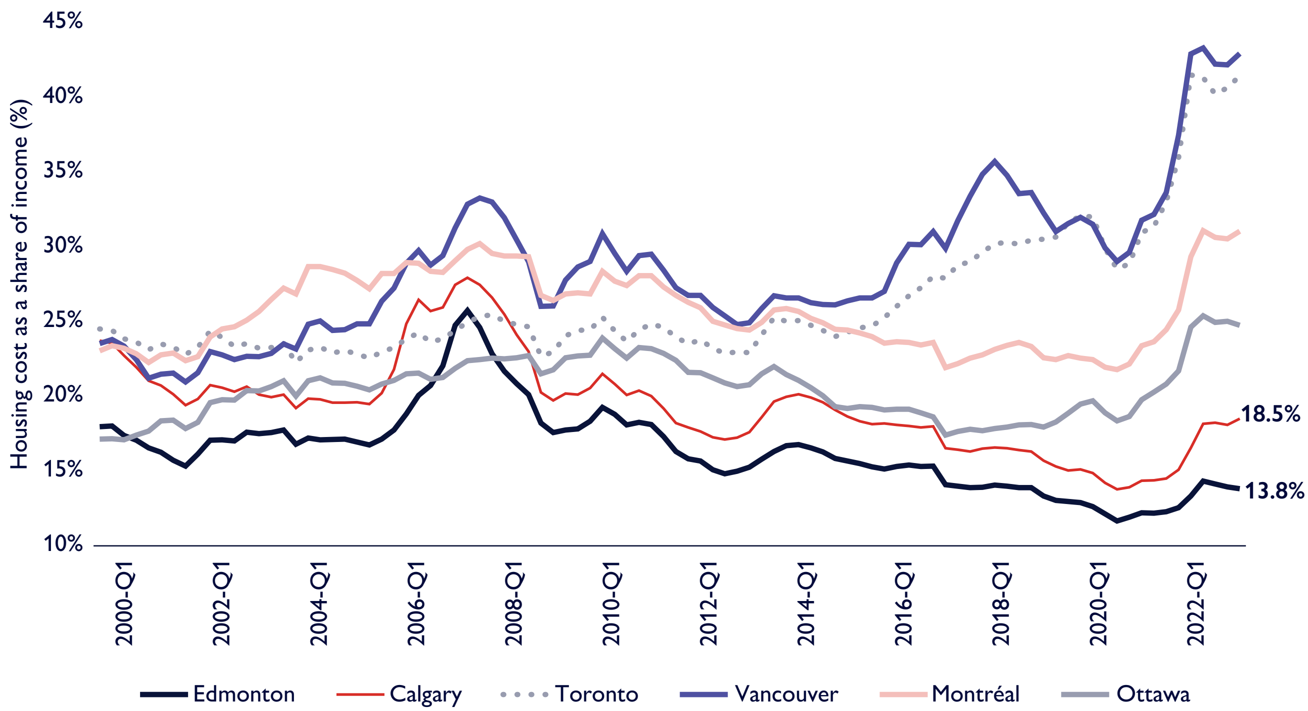
Despite this rise in supply, the vacancy rate for rental condominium apartments in the Edmonton CMA declined from 4.1% to 2.5% in 2023 (Table 4.1.1). Purpose-built and condominium rental apartments now have equal vacancy rates within the centre.

The average rent for a 2-bedroom condominium apartment remained stable and statistically unchanged at $1,359 (Table 4.1.2). As a result, 2-bedroom condominium and purpose-built rental apartments are now offered at similar price levels (Canada Table 4.1). Over the last few years, condominium apartment premiums have narrowed as newer and higher-quality purpose-built rental units were supplied on the market.

## The renting vs. owning equation is shifting given current rents

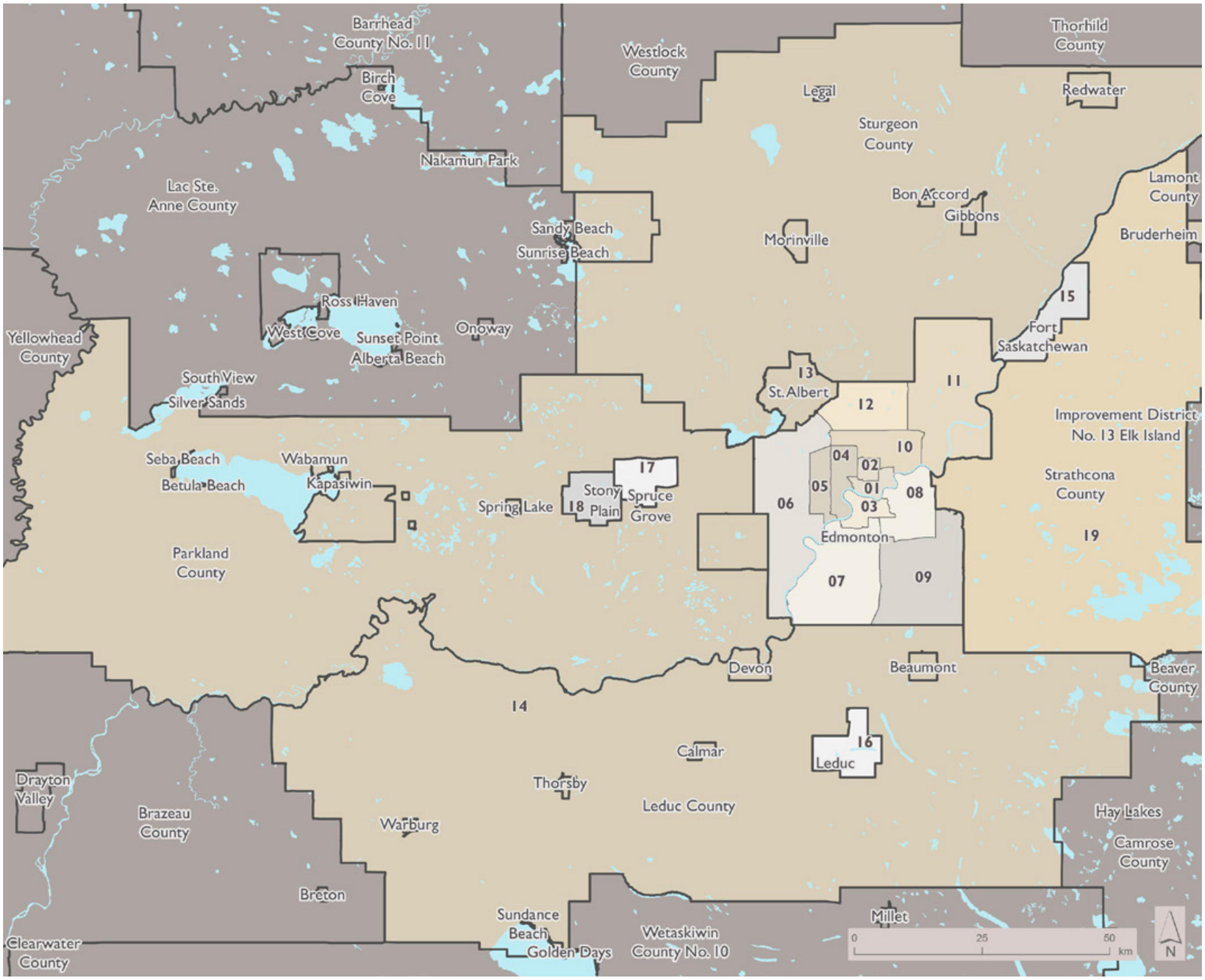
With rents rising quite rapidly, many tenants might consider transitioning to homeownership. This move could lower their monthly shelter costs as home prices, especially for condominiums, are quite low. In Edmonton, much more so than in the other large CMAs, homebuying remains a relatively accessible alternative to renting. The primary hurdle remains the down payment, especially for first-time homebuyers.

**Figure 3** **Edmonton has highest homebuying repayment affordability for condominiums among the largest CMAs**




Note: Measure is based on aggregates and assumptions, at loan origination (25-year amortization, 20% down payment).
Source: Statistics Canada, Bank of Canada, CMHC (Calculations)

The monthly cost of buying a condominium apartment relative to household income has declined in the last few quarters despite rising mortgage rates. It is about 13.8% of household income as at Q2-2023. Current tenants and potential homeowners may have to make the difficult decision to either remain in their rental units with higher rents or move on to homeownership.




## RMS Zone Descriptions — Edmonton CMA

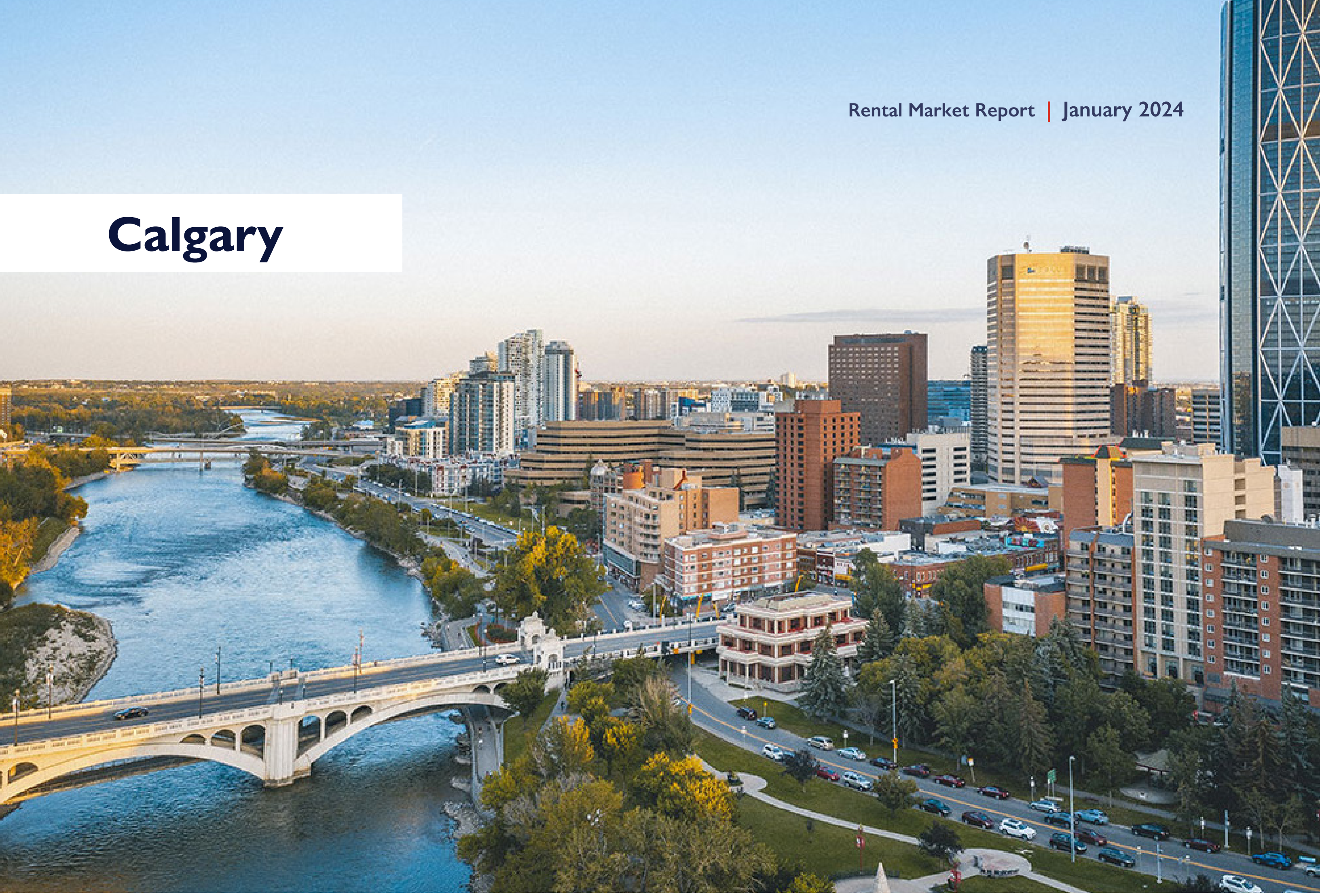
| | |
|---|---|
| **Zone 1** | **Downtown** – North: 112 Ave NW, 104 Ave NW, 107 Ave NW; East: North Saskatchewan River; West: Connaught Dr NW; South: North Saskatchewan River. |
| **Zone 2** | **Hudson Bay Reserve** – North: 118 Ave NW; East: 101 St NW, 97 St NW; West: 120 St NW; South: 105 Ave NW. |
| **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 |
| --- | --- |
| 1.4% | $1,695 |
| | UP by 14.3% |

## CONDOMINIUM APARTMENT MARKET

| Vacancy Rate | Average Two-Bedroom Rent |
| --- | --- |
| 1.0% | $1,819 |

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.

# HIGHLIGHTS

The overall vacancy rate for purpose-built rental apartments declined from 2.7% to 1.4% in 2023, as rental supply struggled to keep up with demand. This marks the lowest vacancy rate in almost a decade.

Stronger population growth and stable economic conditions boosted rental demand in 2023.

Average 2-bedroom same-sample apartment rent grew by 14.3%, the highest year-on-year growth in Canada in 2023 and the highest rent growth recorded in Calgary since 2007.

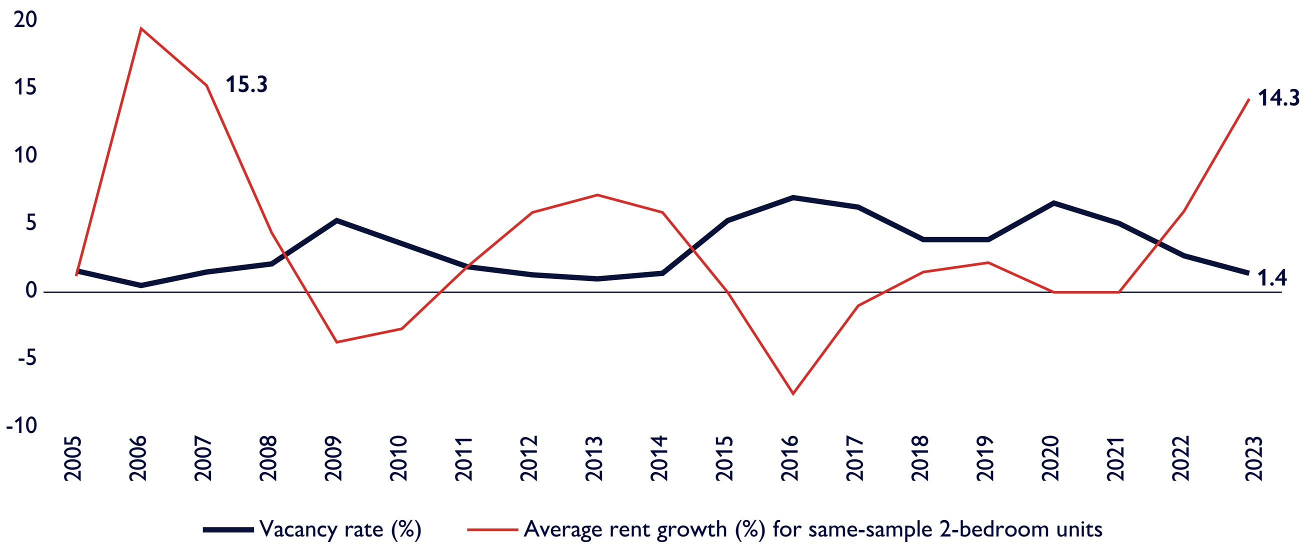
Affordability challenges persist for households as vacancy rates in less expensive rental units remain below 1%.

## Vacancy rate declines as growth in demand outpaces new supply

The overall vacancy rate for purpose-built rental apartments in the Calgary census metropolitan area (CMA) fell to 1.4% (Table 1.1.1) in 2023 from 2.7% in the previous year. This is the third consecutive year of vacancy rate declines, and the vacancy rate remains at a level unseen for about a decade. The decline was consistent across all bedroom types and most survey zones within the CMA.

While the vacancy rates in the Southeast and Fish Creek zones remained unchanged, the highest declines were recorded in the Downtown and Beltline zones. Despite substantial additions to the universe in these zones, high demand was enough to push vacancy rates down further in these desirable neighbourhoods.

**Figure 1 Purpose-built apartment vacancy rate at lowest level since 2014 and average rent grew at fastest pace since 2007**




Source: CMHC

## Rental demand outpaces supply due to strong labour market and population growth

Over the past year, the rental market in Calgary tightened as demand for rentals was driven by growth in population and employment[1]. Total employment remained strong and stable within the cohort aged 15 to 24, which had an unemployment rate that remained below the 10-year average as of October 2023.

Calgary saw strong population growth through both interprovincial and international migration, boosting rental demand. The relative affordability of Calgary contributes to its desirability for migrants, especially with recent cost-of-living increases.

In addition, higher interest rates continue to limit the access of some households to homeownership. Together, these factors have resulted in substantial demand pressure on available rentals such that new supply within the Calgary CMA has failed to keep up.

Market intelligence suggests that landlords no longer offer incentives to potential tenants, given how quickly the rental market had tightened. Waitlists have been reported for certain units across the city and in university campus residences.

## Modest growth in rental universe didn't satisfy demand

The purpose-built rental apartment universe increased by 3,010 units (+6.2%) in 2023. This increase was driven mostly by newly completed 1- and 2-bedroom rental apartment units in the Beltline, Downtown, and North Hill areas of the CMA (Table 1.1.3).

Additional supply of purpose-built rental units is expected in Calgary, as most of the apartments under construction are intended for the rental market. Purpose-built rental apartment starts overtook condominium apartment starts for the first time in 2023, hitting record highs with large projects in the Northwest and city outskirts (see Calgary in the *Housing Supply Report, October 2023*)[2]. Additionally, ongoing office conversion projects in the Downtown area could provide more rental units.

## Average rent accelerated at its fastest pace since 2007

Despite the increase in the rental universe, the average same-sample rent for a 2-bedroom unit grew by 14.3% in 2023 (Table 1.1.5). This is the highest year-on-year growth rate for average same-sample rent in Canada in 2023 and the highest rent growth recorded in Calgary since 2007. The average rent in Calgary grew much faster than in Edmonton due to a tighter market. Also, Calgary has a smaller stock of purpose-built rentals and was unable to absorb rising demand without driving up rental costs.

Market intelligence also suggests that part of the strong increase in rents in 2023 can be attributed to rising mortgage payments, as well as the cost of utilities to some degree, being passed on to tenants.

The average asking rent for a vacant apartment unit was 11.4% higher than the rent paid in occupied units (Table 1.1.9). This gap has widened over the last few years as the rental market tightened due to strong rental demand. Within the CMA, the rent gap was most significant in the Northeast and Downtown zones.

With higher competition for rental units and bigger barriers to homebuying, tenants have been more likely to remain in place. As a result, the turnover rate dropped from 27.9% to 23.6% in 2023. However, it remained above the national average. (Table 1.1.6). The average rent of turnover units versus non-turnover units played a negligible role in the average rent growth in Calgary.

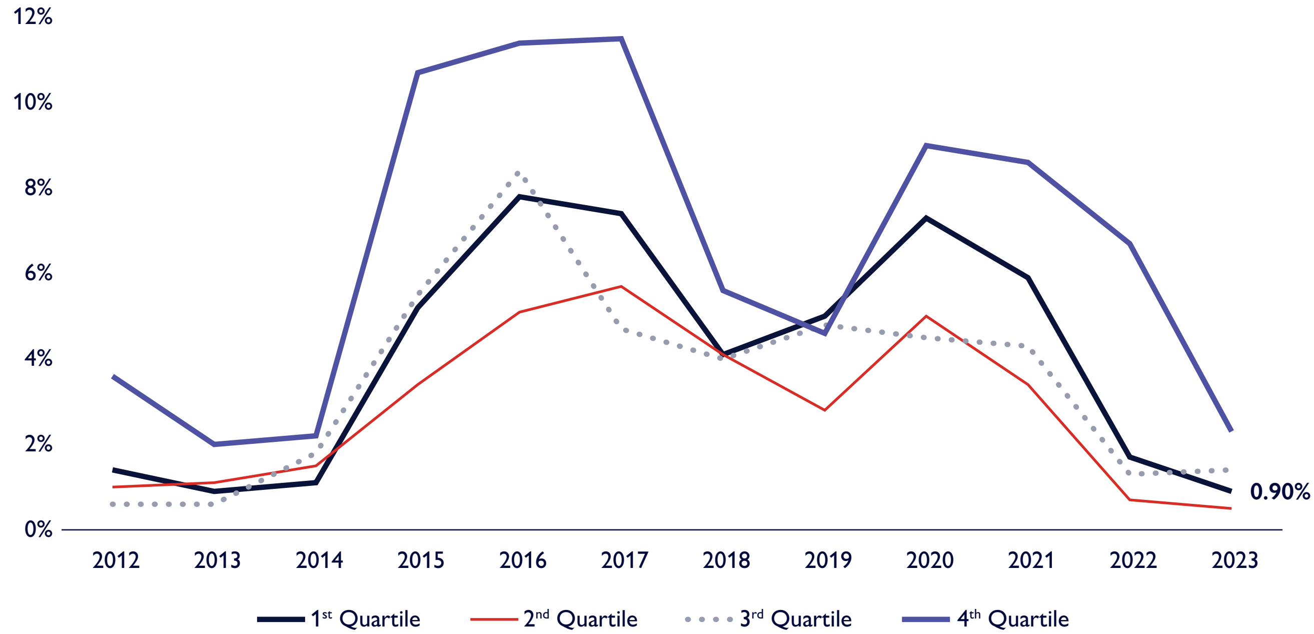
## Affordability challenges persist due to limited supply of less expensive rental units

Low-income renter households in the Calgary CMA are faced with worsening housing affordability. With a limited supply of less expensive rental units, finding affordable units is a challenge. For instance, the vacancy rates for 2-bedroom units within the lower rent quartiles (1st and 2nd) are below 1%. With declining affordability, households will have more difficultly finding rentals that suit their needs.

1 Statistics Canada, Table 14-10-0378.

2 https://assets.cmhc-schl.gc.ca/sites/cmhc/professional/housing-markets-data-and-research/market-reports/housing-supply-report/housing-supply-report-2023-11-en.pdf?rev=5f769f05-77f8-429c-9e5c-5df399eecb1d&_gl=1*fpjh3s*_ga*MTc5NjkxNDgyMS4xNjcwNTE0OTc0*_ga_CY7T7RT5C4*MTcwMTEwNzg1MC43LjAuMTcwMTEwNzg1MC42MC4wLjA.*_gcl_au*NjkzNDk0NDg1LjE2OTQ2MjUyMDI.

**Figure 2** Vacancy rates for 2-bedroom units in the lower rent quartiles are below 1%



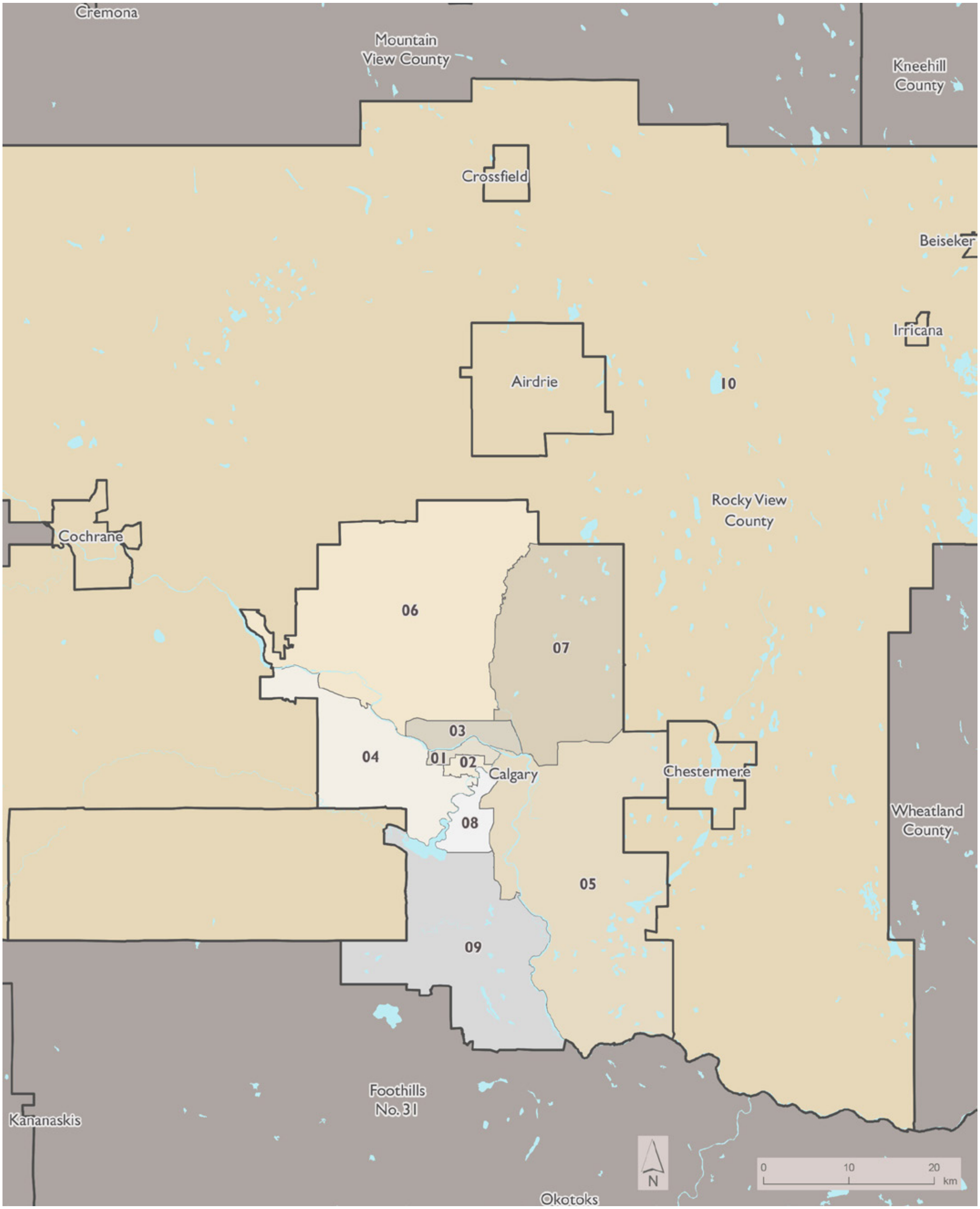

Sources: Statistics Canada, Bank of Canada, CMHC (Calculations)

## Share of condominium apartments offered as long-term rentals remains unchanged

The condominium apartment universe grew by 1,455 units in 2023, mostly within the West and East sub areas. However, the share of the universe intended for long-term rentals (38.4%) remained stable and relatively unchanged (Table 4.3.1). Due to demand pressure, the vacancy rate for rental condominium apartments declined to 1.0% in 2023 (Table 4.1.1).

The average rent for a 2-bedroom condominium rental apartment in Calgary in 2023 was $1,819 (Table 4.1.2). Although it's statistically unchanged year-on-year, it's about $124 higher than in a purpose-built rental unit of similar size (Canada Table 4.1). This indicates a further narrowing of the gap between both segments as more purpose-built rentals are supplied on the market.

Market intelligence indicates that higher operating costs and rigid financing conditions might be making rentals less attractive to some investors in the secondary rental market. Some landlords are putting their properties up for sale, shifting to shorter-term rentals (like Airbnbs), or passing on the full mortgage cost increase to tenants.


Cremona
Mountain View County
Kneehill County
Crossfield
Beiseker
Irricana
Airdrie
10
Rocky View County
Cochrane
06
07
03
04
01
02
Calgary
Chestermere
08
Wheatland County
05
09
Foothills No. 31
Kananaskis
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 |
|---|---|
| 2.0% | $1,360 |
| | UP by 9.0% |

## CONDOMINIUM APARTMENT MARKET

| Vacancy Rate | Average Two-Bedroom Rent |
|---|---|
| 1.2% | $1,449 |

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.

# HIGHLIGHTS

In 2023, growth in employment, population, and investment fueled Saskatoon's economic growth and rental demand. However, supply was unable to keep up with demand, and the vacancy rate fell to 2%.

Saskatoon had the highest average turnover rate among Prairie CMAs, at 36.5%. This was up about 3 percentage points from the previous year.

Average rent growth for the CMA's same-sample 2-bedroom units followed the pace of other areas in the Western provinces.

Available units for low-income families remain scarce, with only 5% of the CMA's rental universe affordable to families in the lowest income quartile.

## Tightening Saskatoon rental market sees vacancy rates drop and average rents rise

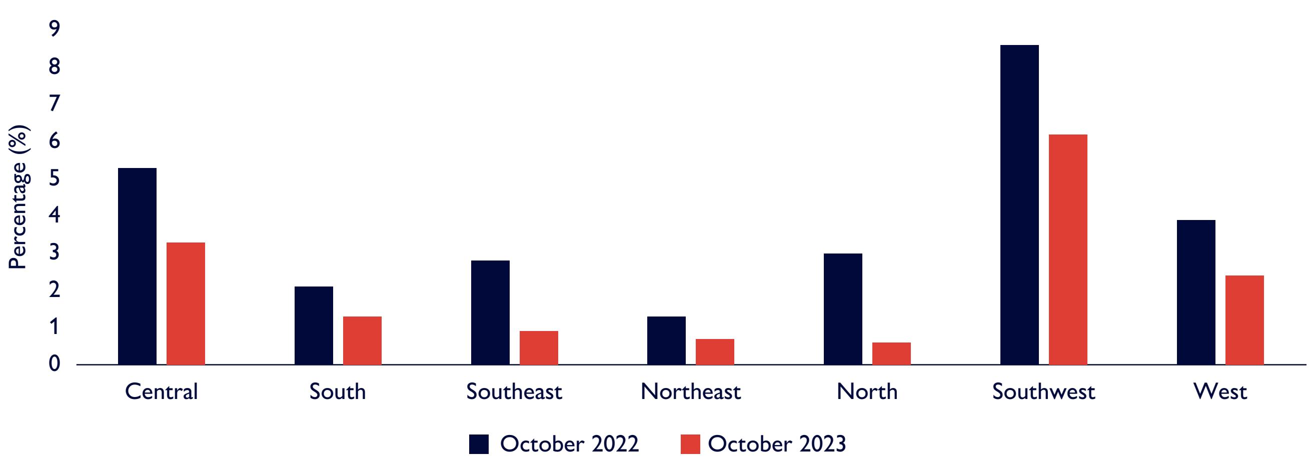
In 2023, the purpose-built rental apartment vacancy rate fell to 2% from 3.4% in 2022 (Table 1.1.1). This tightening was most significant in the North, Northeast, and Southeast zones, where vacancy rates fell below 1%. Despite these 3 regions recording the lowest vacancy rates in the census metropolitan area (CMA), the highest rent growth, 14.6%, was recorded in the West zone (Table 1.1.5).

Key economic factors contributing to market demand in 2023 were:

- increased full-time employment in high-paying industries such as professional scientific and technical services;
- wage growth, with wages in most industries growing from the previous year;
- major investment in the region, like Phase 2 of BHP's Jansen potash project; and
- steady population growth from international migration, which offset negative interprovincial migration.

As employment, population and investment have increased in Saskatoon, boosting economic growth and rental demand, supply has struggled to meet this demand.

**Figure 1** **Vacancy rates fell across all zones in Saskatoon in 2023**




Source: CMHC

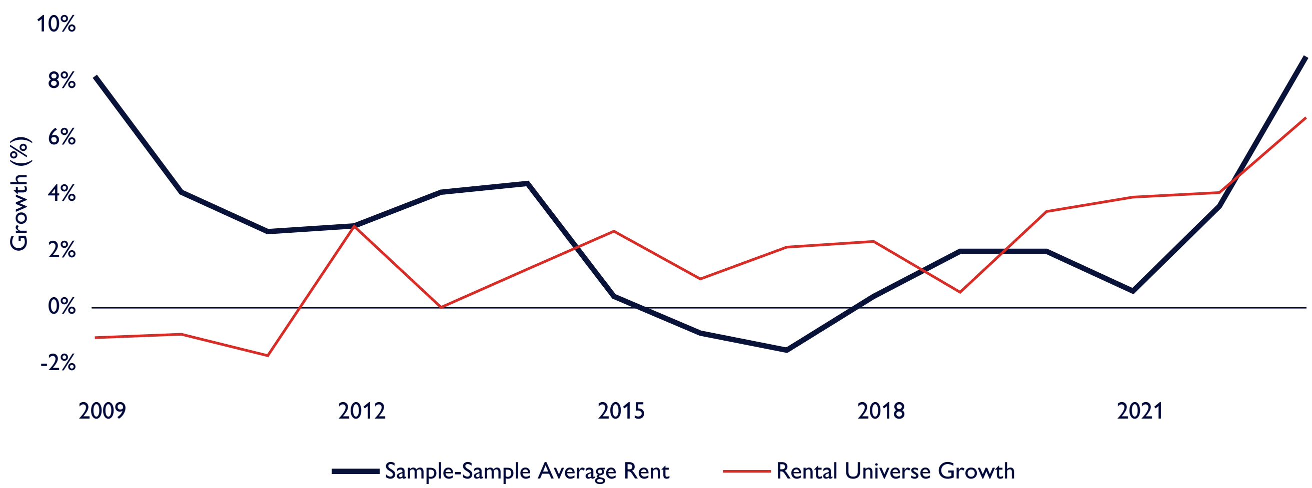
The surge in demand led to a vacancy rate drop across most unit types and all zones in Saskatoon. Two-bedroom units recorded the lowest vacancy rates, at 1.5%, and the average rent for this unit type in structures common to the 2022 and 2023 surveys increased to 9% (tables 1.1.1 and 1.1.5).

Lower vacancy rates observed for larger and newer structures suggest that tenants prefer units in these types of structures (tables 1.3.1 and 1.2.1). Indeed, these units had vacancy rates well below the overall market's vacancy rate.

## Rental supply strained by growing demand, with vacancy rates below 1% in some areas

The rental market universe grew by 6.7% in 2023, with all zones in Saskatoon showing growth (Table 1.1.3). The Northeast and Southeast zones led the expansion this year, growing by 20% from the previous year. Despite the additional units, vacancy rates in these zones dropped below 1%, pushing the average rent 7.3% higher than the CMA average rent of $1,256 (Table 1.1.2).

**Figure 2 Higher rental demand drove growth in the universe and in rents from relatively flat pre-pandemic levels**




Source: CMHC

Despite Saskatoon's strong economic growth, construction trends indicate a decline in starts and only an uptick in completions from the previous year. Investors cite several reasons for this case. One is the higher financing costs they may face, which would discourage additional rental construction in the near term. Another reason cited from investors is that some developers are directing funds to meet the growing demand in other markets.

In response to market tightening and the scarcity of available units, the Saskatchewan government introduced the Secondary Suite Incentive (SSI) grant program.[1] Announced in October 2023, this program aims to encourage new homeowners to build secondary rental suites in their homes. This will increase rental units in communities. The program is expected to start accepting applications in January 2024.

## One-bedroom units had the highest turnover rate in 2023

The CMA's turnover rate climbed to 36.5%, a 3.4 percentage-point increase from the previous year (Table 1.1.6). The Southwest zone recorded the CMA's highest turnover rate, at 49% and the highest 1-bedroom apartment turnover rate of 55%.

1 Saskatchewan Secondary Suite Incentive (SSI) Grant Program | Tax Credits | Government of Saskatchewan (https://www.saskatchewan.ca/residents/taxes-and-investments/tax-credits/saskatchewan-secondary-suite-incentive-grant-program#:~:text=The%20grant%20program%20will%20provide,by%20the%20Ministry%20of%20Finance.)

In 2023, the differences between the average rents for occupied, vacant, or recently turned-over units was insignificant (Table 1.1.9 and Canada Table 6.1). This uniformity differed starkly from trends in British Columbia and Ontario, where differences in rents were much clearer. In Saskatchewan, the absence of rent control allows for market-driven pricing across all units. Saskatoon's relative affordability contributes to the availability of economical options. As a result, units that remain vacant are often of lower quality and command lower rents.

## Rent increases outpace wage growth, worsening affordability, especially for low-income families

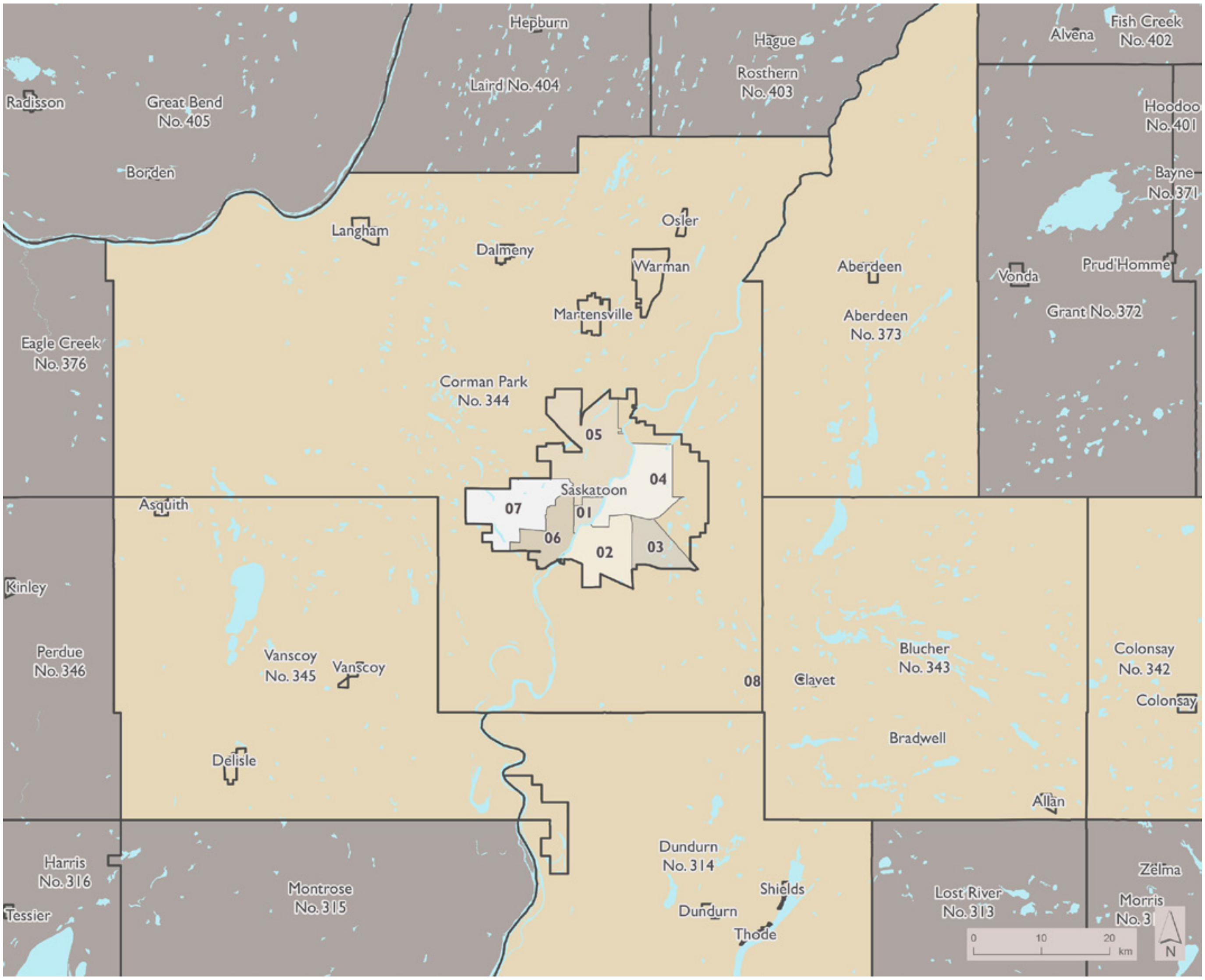
Rising rents put financial pressure on tenants, with rent increases outpacing wage growth in 2023. Minimum-wage workers are particularly vulnerable to rapid rent increases. This is due to the limited availability of rental units in less expensive segments of the market. Such units make up only 5% of the rental universe.

Alongside strong rent increases, inflation has driven an increase in the cost of non-shelter necessities. This situation has put added pressure on household budgets. Property owners have reported a growing trend of tenants sharing leases to reduce housing costs.

## Condominium market tightened, challenging affordability

The condominium market saw its vacancy rate drop to 1.2% in 2023 (Table 4.1.1), which was in line with the tightening in the purpose-built market. The proportion of units in the condominium apartment universe that were allocated for long-term rentals remained stable at 31.8% (Table 4.3.1).

Rental condominiums, often located in newer structures, contribute to the higher-quality segment of the rental market. As a result, the average rent for a 2-bedroom unit on the condominium market was about 7% higher than the average rent for a comparable unit on the primary market (Table 4.1.3).




## 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 |
| --- | --- |
| 1.4% | $1,301 |
| | UP by 7.9% |

## CONDOMINIUM APARTMENT MARKET

| Vacancy Rate | Average Two-Bedroom Rent |
| --- | --- |
| 1.8% | $1,421 |

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.

# HIGHLIGHTS

Regina's overall vacancy rate fell to 1.4%, reaching its lowest level since 2013. Vacancy rates were particularly low for newer units and those in the Northwest and University areas.

Increased competition for rental units placed upward pressure on average rents, which grew by 7.9% across all unit types. This is the largest increase recorded since 2009.

While rental affordability deteriorated in 2023, renting in Regina is more affordable compared to other markets in the region.

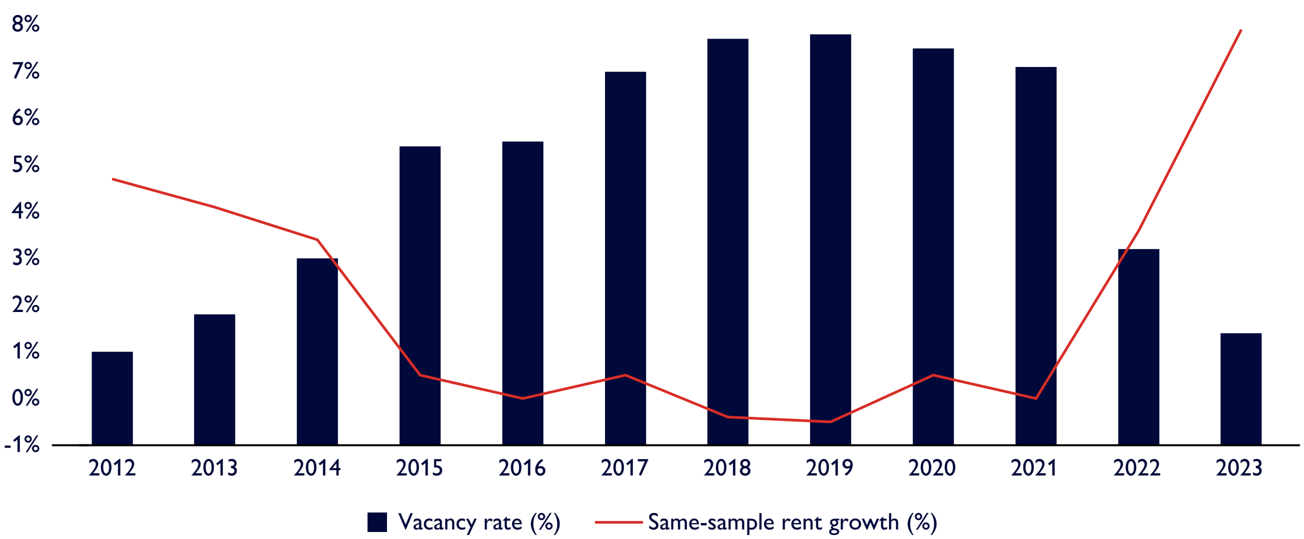
## Vacancy rates reached their lowest level since 2013

Regina's rental market tightened significantly, with the vacancy rate for purpose-built rental apartments declining to 1.4% (Table 1.1.1). The decline in vacancy rates was observed across all bedroom types and most local municipalities. Rental units near the University posted the lowest vacancy rate, falling to 0.3% from 1.4% in October 2022.

International migrants are a key driver of population growth in Regina and contribute to higher rental demand. Higher numbers of permanent-resident admissions so far in 2023 are making up for the outflow of residents to other provinces and territories.

Full-time employment growth in Regina accelerated in 2023 following a period of weak growth in 2022. Paired with an increase in average weekly earnings, preferences appear to have shifted towards newer rental units, which posted low vacancy rates and relatively high average rents.

**Figure 1 Vacancy rates reach lowest level since 2013 and rent growth accelerates**




Source: CMHC

## Accelerating rent growth and a rise in non-shelter costs create affordability challenges

Higher demand and low vacancy rates put upward pressure on rents. Regina saw same-sample average rents in structures common to the 2022 and 2023 surveys increase by 7.9% across all unit types in 2023 (Table 1.1.5). This is well above average growth of 2.0% over the past 10 years and is comparable to rent growth seen in Vancouver and Toronto. High rent growth paired with rising non-shelter costs due to high inflation put additional pressure on household budgets.

Relatively high turnover rates suggest that renters have some mobility in the market despite recent rent increases and low vacancy rates. Also, the difference between average rents for units that turned over and those that didn't is relatively small in Regina compared to markets with low turnover rates.

While vacancy rates declined generally, greater preference for newer, larger units is apparent in Regina. Older units with fewer bedrooms have significantly higher vacancy rates and fall within more affordable rent ranges. On the other hand, units built after 2014 posted vacancy rates below 1% (Table 1.2.1) and have relatively high rents (Table 1.2.2). Regina remains relatively affordable, but the most affordable stock may not suit the needs or preferences of Regina's growing population.

## Demand outpaced modest increases in rental supply

Additions to the rental supply couldn't keep up with increasing demand in Regina, leading to a drop in vacancy rates and strong rent increases. A total of 176 units were added to Regina's purpose-built rental universe in the past year, an increase of 1.3% (Table 1.1.3). Growth in the rental universe has slowed in recent years and is now below average levels seen over the past 10 years.

Recent trends in construction activity suggest that supply is starting to respond to increased demand. Purpose-built rental construction activity has been increasing in recent years, but rental starts remain below levels seen in the 2013–2017 period. As started units are completed, they'll be added to the existing rental stock.

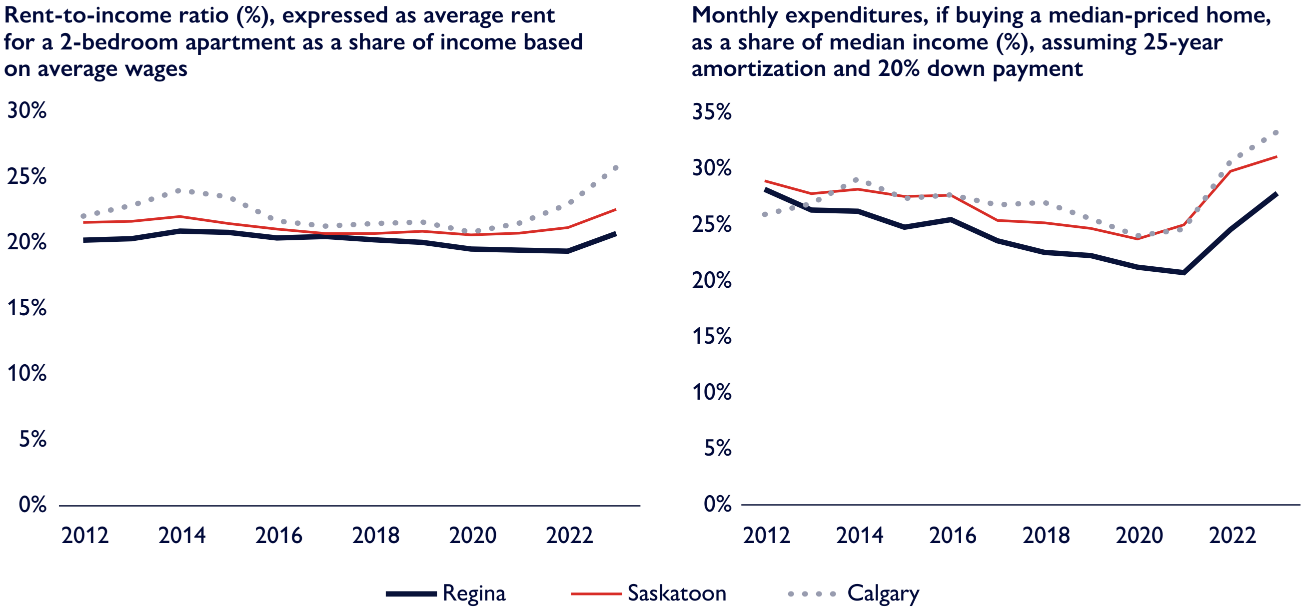
Stagnant construction activity in the condominium market segment suggests that condominiums won't contribute significantly to increasing the supply of rental units in Regina in the near term. Our survey estimates indicate that the rental condominium universe declined significantly over the past year. These estimates can be sensitive and likely overstate the true decline in the rental condominium universe.

## Homeownership remains an accessible option to many residents as rental market conditions tighten

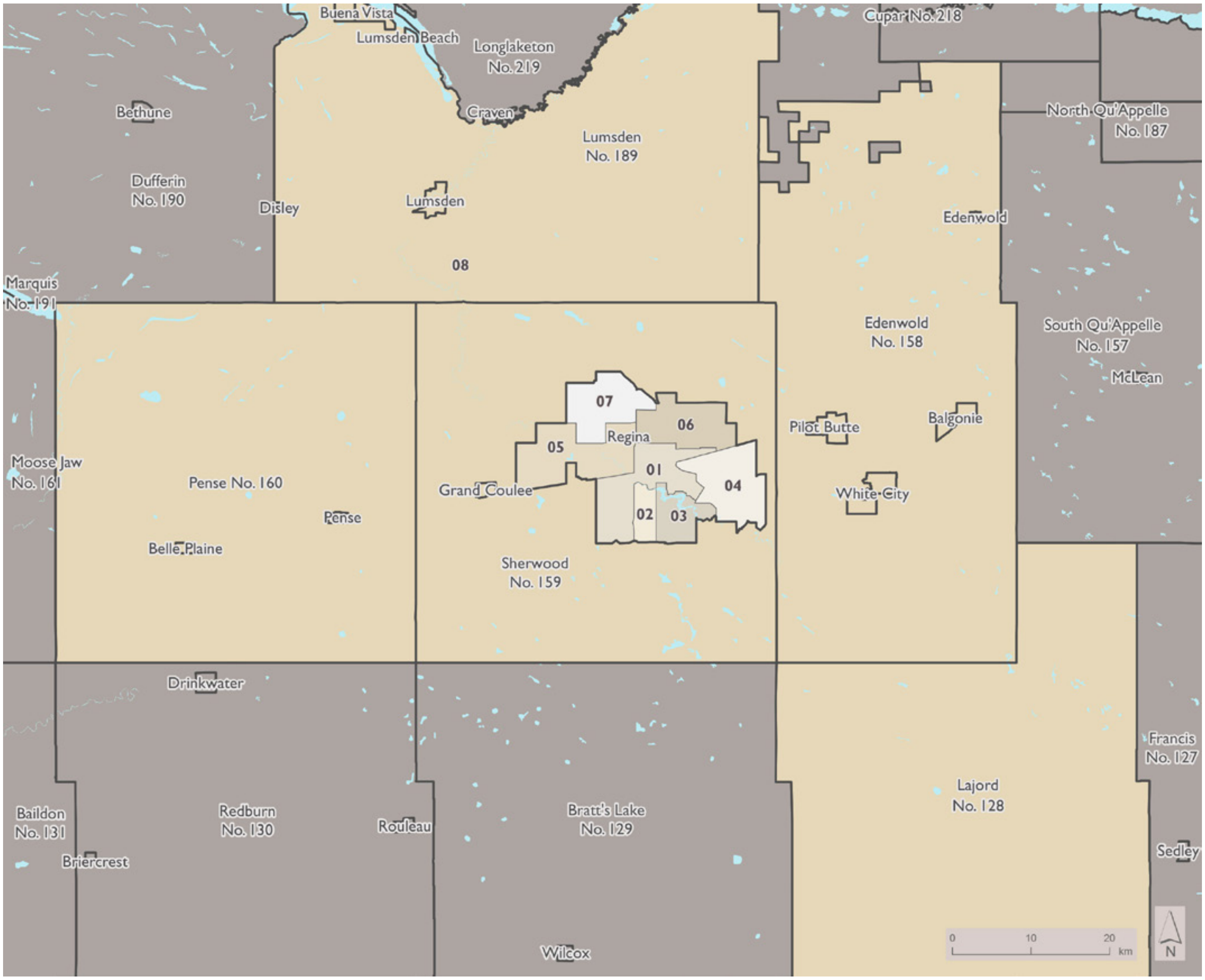
While low vacancy rates and growing rents suggest that renting is becoming less affordable, Regina's rental market is the most affordable in the Prairies. Average 2-bedroom rent in Regina represents a smaller share of average-wage earnings than in the other Prairie markets (Calgary, Edmonton, Saskatoon and Winnipeg) (Figure 2).

Higher interest rates have made homebuying less affordable, but buying a home in Regina remains relatively affordable compared to other markets (Figure 2). Decreasing homebuying affordability may put more pressure on Regina's rental market, but likely not to the extent seen in less affordable markets where declining affordability has pushed homebuying out of reach.

## Figure 2 Renting and owning a home are relatively affordable in Regina despite recent rent growth and rising borrowing costs




Source: CMHC




## 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 | Average Two-Bedroom Rent |
|---|---|
| 1.8% | $1,427 |
| | UP by 4.4% |

## CONDOMINIUM APARTMENT MARKET

| Vacancy Rate | Average Two-Bedroom Rent |
|---|---|
| 1.8% | $1,333 |

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.

# HIGHLIGHTS

The primary rental market tightened further, especially in suburban areas, where the average vacancy rate was lower and rent growth was higher than the city's average.

Despite a tightening in the rental market, the average rent grew modestly when compared to other cities in the Prairies.

Two-bedroom units that were exempt from the rent increase guidelines likely contributed to the average same-sample rent growth of 4.4%.

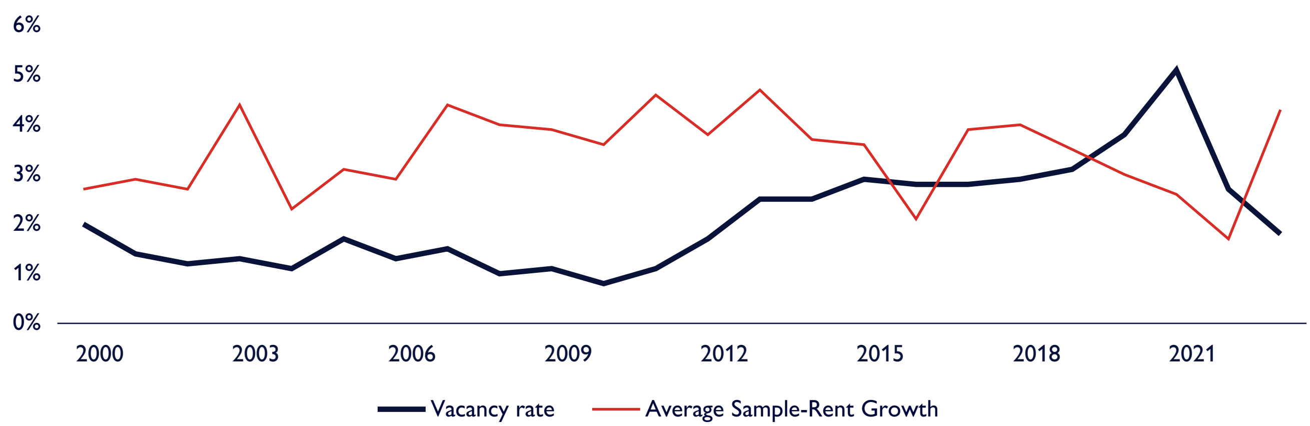
Competition intensified in the rental market, reducing availability for low-income families, as vacancy rates in the most affordable segment were between 1% and 2%.

## Vacancy rates at lows not seen since 2012 straining rental availability

In 2023, growing demand led to a tighter rental market for tenants, with the overall vacancy rate for purpose-built rental apartments dropping to 1.8%. This growth in demand was broad-based and driven by the following factors:

- Employment growth, which was led primarily by wholesale and trade industries.
- Strong population growth, with international migration making up for lower interprovincial migration.
- Wage growth, with the wholesale and retail sectors recording the highest increases from the previous year.

**Figure 1** **General inverse relationship between vacancy rates and rent change seen historically in Winnipeg**



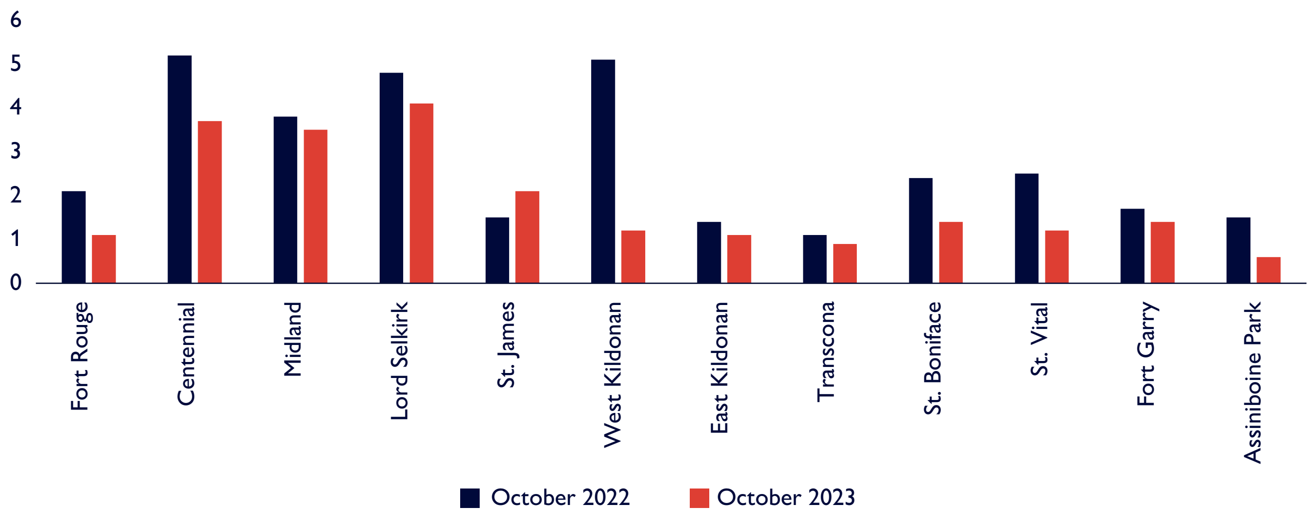

Source: CMHC

Historically, as employment and the economy grow, wages tend to also rise, leading to higher rental demand. This was true in Winnipeg, where the average wage for all industries in November 2023 was up 2.5% compared to the previous year.

These demand pressures pushed the vacancy rates down across the city, particularly in suburban areas, where the average rate was 1.3% (Table 1.1.1).

Suburban areas also saw the highest rent growth in structures common to the 2022 and 2023 surveys (referred to as same-sample), at 5.6% (Table 1.1.5). Responding to market pressures, rents likely grew for turned-over units and units not subject to the rent increase guideline[1] (which include newer units). This growth would have contributed to the overall same-sample rent growth of 4.3% recorded in Winnipeg in 2023. In contrast, rent increases in units subject to the guideline were constrained by the provincial guideline of 0% for 2023.

**Figure 2 Majority of zones saw decline in vacancy rate in 2023**




Source: CMHC

Preferences for newer units, particularly 2-bedroom apartments, are evident in their lower vacancy rates. Overall, increased competition for newer units reduced vacancy rates to around 1%. In particular, vacancy rates for 2-bedroom units built in 2015 or later fell from 4.4% to 1.7%, driving the average rent for this unit type up to $1,768 (tables 1.2.1 and 1.2.2).

Lower housing starts in 2023 indicate potentially fewer rental units being added to the rental market universe in the near future. Increased financial costs are likely to make new development less attractive. Fewer units, combined with strong population growth, would cause rental availability to decline. This would, in turn, reduce affordability.

## Moderate growth in the rental universe failed to meet surging demand in 2023

The overall rental market universe expanded by 2.6% in 2023, with suburban areas reporting the highest growth. Despite the addition of 1,656 units, vacancy rates remained low, at 1.3% outside the core area (tables 1.1.3 and 1.1.1). This fueled same-sample rent growth of close to 6% (Table 1.1.5). In contrast, the core area saw a small addition of 35 units (Table 1.1.3), and its vacancy rate, despite declining, remained above the census metropolitan area (CMA) average.

## Vacant units didn't see large rent increase

In rental markets with persistently low vacancy rates, vacant units command higher rents, on average, than those that remain occupied. In 2023, however, this wasn't true for most of Winnipeg. In general, average rents for vacant units were lower than those for occupied units (Table 1.1.9). Exceptions to this were seen in suburban communities overall, and notably in St. James and St. Boniface.

[1] Manitoba's Rent Increase Guideline (https://www.gov.mb.ca/cca/rtb/resource_list/guidelinefactsheet.pdf)

## Limited rental availability puts financial pressure on low-income families

In 2023, the average wage kept pace with rent growth. In particular, minimum-wage growth outpaced rent growth because of a new minimum wage set by the provincial government.[2] However, a minimum-wage earner would need to spend around 30% of their income to cover the average rent of a bachelor unit.

Even though the rental market universe expanded in 2023, affordable rentals remained scarce for most income groups. This scarcity, coupled with rising non-housing essential expenses, caused affordability to worsen for most households. This situation could potentially force households into less suitable units as they try to save on housing costs.

To help support low-income families in the long term, the City of Winnipeg engaged in discussions in 2023 about potential changes to zoning laws.[3] These changes are needed in order for the local government to qualify for the Housing Accelerator Fund (HAF). The City's plan, as outlined in the HAF application, aims to create 15,000 new homes over the next decade. The initiative seeks to build mid-rise apartments in strategic urban locations to provide affordable housing for families and young people.

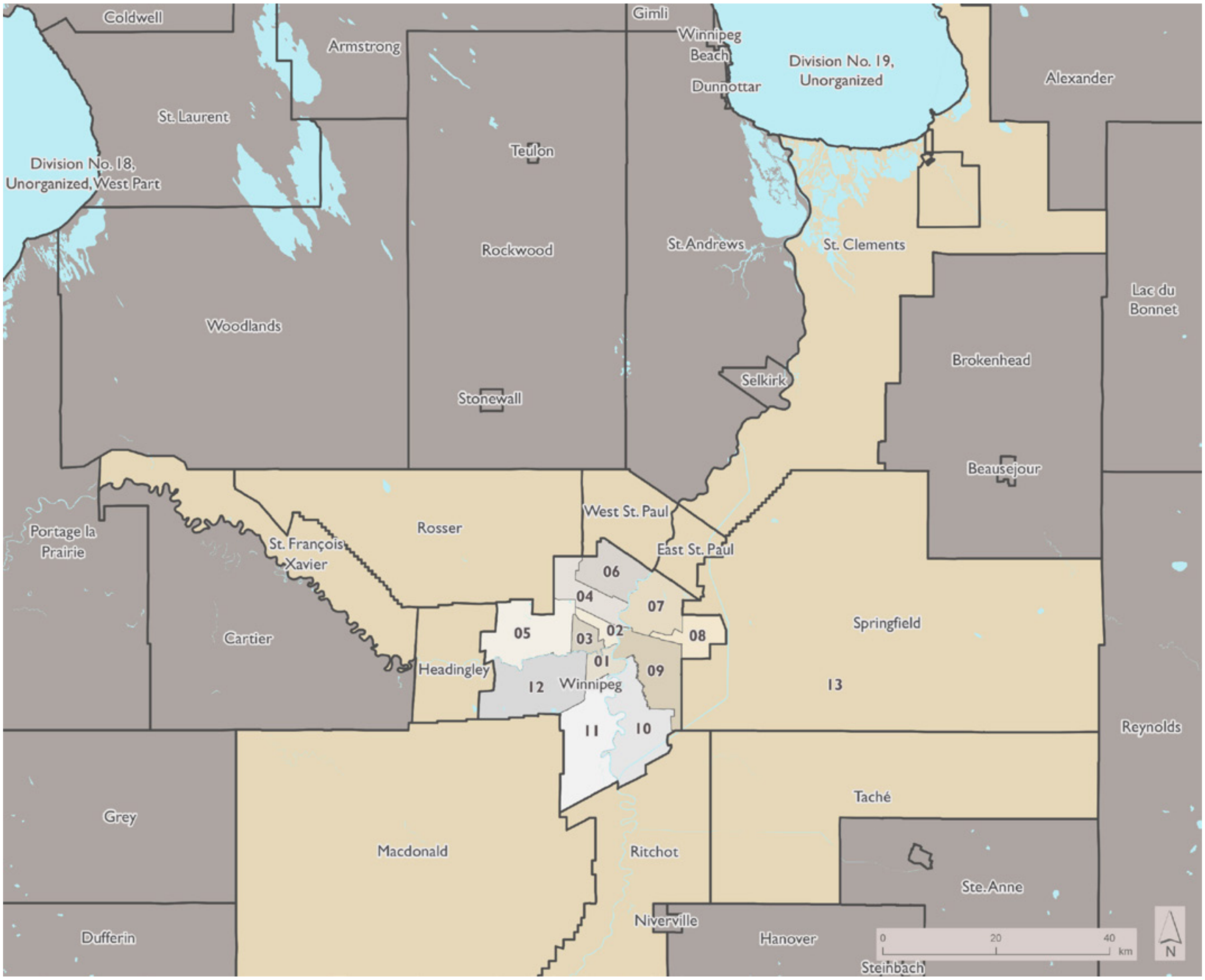
## Condominium universe shrank in 2023 despite rising demand

The condominium apartment universe followed similar trends to the primary market, with the tightest segments located in Winnipeg's suburban areas. While the overall condominium universe shrank in 2023, units allocated for long-term rentals increased. Suburban South region led this growth and added 211 long-term rental units (Table 4.3.1.).

The condominium vacancy rate remained stable at 1.8% (Table 4.1.1). The average rent for a 2-bedroom condominium behaved similarly, with minor variations around the average of $1,333 per month (Table 4.1.3). The average 2-bedroom rent for units in the condominium market is $94 less than the average rent on the primary rental market.

2 Manitoba government to increase minimum wage twice in 2023 (https://news.gov.mb.ca/news/index.html?item=58518&posted=2023-03-22)

3 City Zoning Changes Required to Unlock Millions in Federal Housing Funding | City of Winnipeg (https://www.winnipeg.ca/news/2023-11-02-city-zoning-changes-required-unlock-millions-federal-housing-funding)




## 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 |
|---|---|
| 2.1% | $1,617 |
| | UP by 13.7% |

## CONDOMINIUM APARTMENT MARKET

| Vacancy Rate | Average Two-Bedroom Rent |
|---|---|
| 2.6% | $2,373 |

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.

# HIGHLIGHTS

The purpose-built rental apartment vacancy rate edged up to 2.1% in 2023, the second-lowest level in 21 years. Strong rental demand persisted due to higher immigration and limited homeownership prospects for would-be homebuyers.

In a tight rental market, the average rent for a 2-bedroom unit increased by a record 13.7% for structures surveyed in both the years 2022 and 2023.

New renters, especially those earning the minimum wage, were challenged by significantly higher rents for vacant apartments.

The condominium apartment vacancy rate hit a record high of 2.6% in 2023 due to a significant surge in supply and rising unaffordability.

## Vacancy rate remained near historical low

The vacancy rate for purpose-built rental apartments in the Hamilton census metropolitan area (CMA) edged up to 2.1% in October 2023 from 1.9% in October 2022 (Table 1.1.1). Tight rental market conditions persisted, with the vacancy rate being the second-lowest since 2002. The upward changes in the vacancy rate were confined to a few zones. Robust rental demand continued due to favourable demographic and job market conditions while homeownership opportunities declined for potential homebuyers.

## Demographic and employment conditions favouring the rental market

Record immigration and the fast-growing young adult population, which is more inclined to rent, drove rental demand up.

As of July 1, 2023, Ontario's net international migration hit a new record high, up 56% from the previous year.[1] Non-permanent residents with work and study permits accounted for the largest share of these migration flows. Between January and September 2023, more than 280,000 study permits were granted to international students in Ontario,[2] up by 30% from the same period a year before. Like other centres, Hamilton attracted more of these newcomers, many of whom rented upon arrival.

Additionally, Hamilton continued to see growth in the millennial cohort (people born from the early 1980s to the early 2000s). From January to September 2023, the population of adults aged 25 to 44 increased by 5.1% (Figure 1). According to the 2021 Census, they represented close to 40% of renter households in Hamilton. This cohort had significant growth in full-time employment in 2023, which eased their transition to renting.

Moreover, the population has been aging. The share of seniors aged 65 and up reached nearly 20% in 2023 and made up about a quarter of renter households. This age group, which is thought of as more financially stable, contributed to rental demand.

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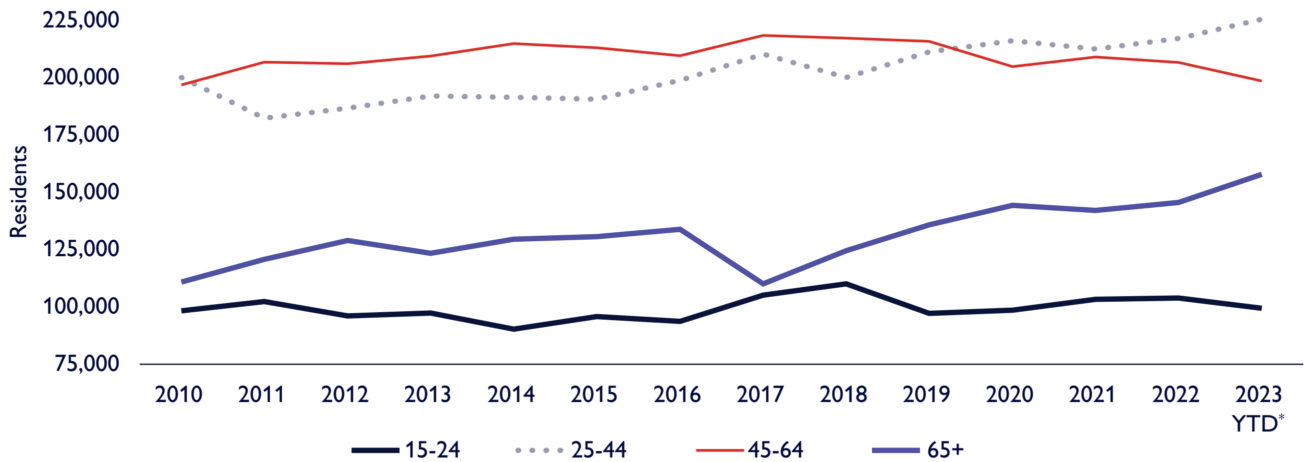
1 Sources: Statistics Canada (Table: 17-10-0008-01), CMHC

2 Sources: IRCC (Study permit holders by province and territory of intended destination), CMHC

**Figure 1** **Fast-growing populations of millennials and seniors favour the rental market**




*January to September.

Source: Statistics Canada

## Rent affordability worsened

Rent growth in 2023 set records, with rents for 2-bedroom apartments in structures common to the 2022 and 2023 surveys increasing by 13.7% (Table 1.1.5). Tight rental market conditions allowed landlords to pass higher carryings costs on to their tenants. Rent growth was particularly strong for new tenants. Two-bedroom units that turned over to a new tenant rented for 31.2% more than units occupied by the same tenant as the year before (Canada Table 6.1).

Affordability conditions for renters deteriorated. For instance, the rent-to-gross-income ratio for a working couple earning the minimum wage and renting the average 1-bedroom apartment increased to 25% in 2023. This was the highest rate since 2005. If this couple were to enter the rental market or change rental accommodations, they would face a much greater financial challenge. Renters likely felt pressured to stay put to avoid higher costs.

In 2023, potential homebuyers found it challenging to qualify for mortgages and manage homeownership costs, leading them to opt for rentals. Even a 20% downpayment wasn't enough for a median-income household to secure a mortgage for a median-priced condominium.

As a result, the turnover rate, at 11.1% in 2023, was the lowest since first tracked in 2016 (Table 1.1.6). Turnover tended to be higher for more expensive rentals, contributing to overall rent growth.

## Vacancy rates varied

Strong demand for rental accommodation kept apartment vacancy rates steady across many parts of the CMA. The biggest exception was the downtown core, where the vacancy rate rose from 2.1% to 2.7% (Table 1.1.1).

The vacancy rate in higher-priced areas like Burlington, Ancaster, Dundas, Flamborough and Glanbrook increased but remained below the CMA's average. Significant growth in rents and the overall cost of living resulted in a slight decrease in demand in more expensive areas.

The same factors prompted more renters to make trade-offs. Some chose to give up the quality and size of their rental accommodations in favour of more affordable units. Among all unit types, only 2-bedroom apartments saw a statistically significant increase in the vacancy rate. Lower-priced bachelor and 1-bedroom units had their vacancy rates remain stable or decline. The vacancy rate also dropped for lower-priced, older rental apartments.

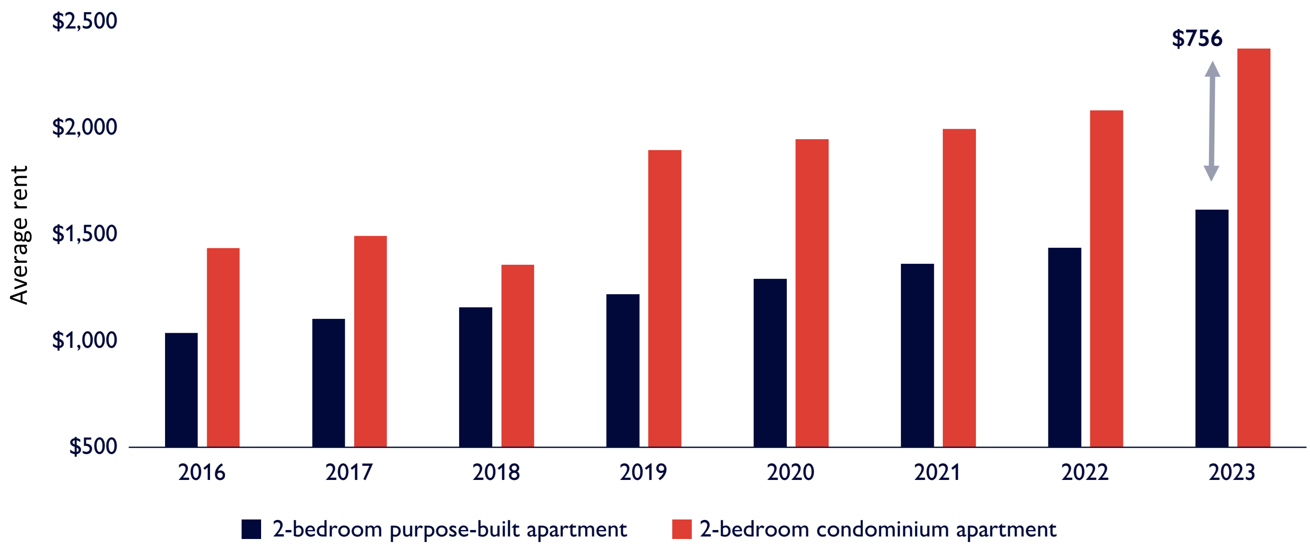
## Supply pressures increased the condominium vacancy rate

The condominium apartment vacancy rate rose to 2.6% in 2023 from 0.1% in 2022 due to supply outpacing demand (Table 4.1.1). This was the highest vacancy rate on record, surpassing the 1% mark for the first time.

Supply increased rapidly due to record completions in the past 2 years and conversions from purpose-built rentals to condominiums. Additionally, more condominium owners chose to rent out their units because of rising interest rates and unfavorable selling conditions. This resulted in the share of condominium units offered as rentals reaching a record high level of 27.1% (Table 4.3.1).

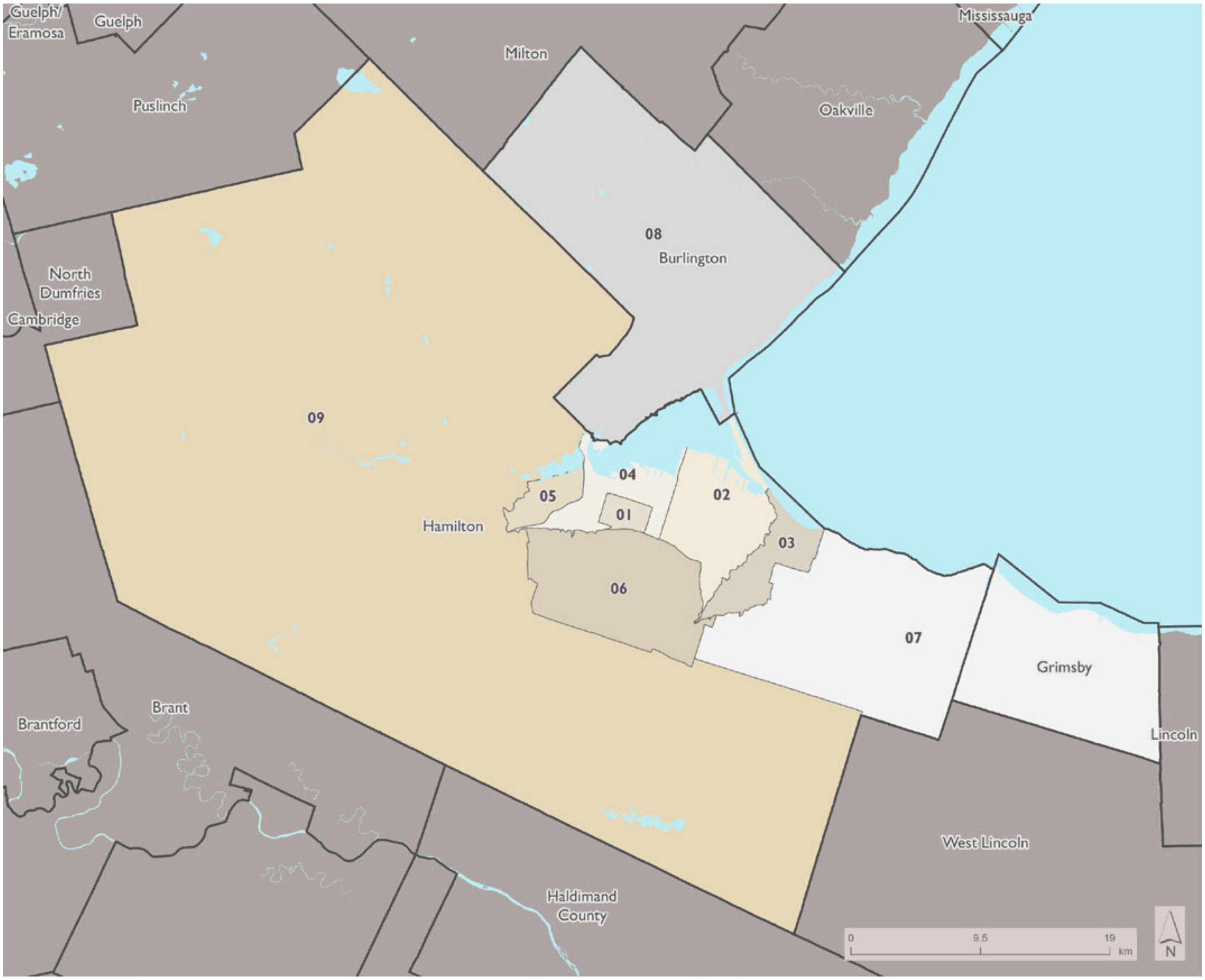
Demand for condominium apartments also improved, with a 22.1% rise in the number of units occupied by renters. This could've been even higher if not for the rising cost of living, which affected some prospective renters' ability to pay rents. The $756 rent difference between a 2-bedroom condominium and a purpose-built apartment of the same type became significant enough for some to choose the purpose-built option (Figure 2).

### Figure 2 Fewer renters may pay the premium for condominium apartments




Source: CMHC

Furthermore, a new 30-storey McMaster University student residence opened downtown in September 2023. This residence includes condominium-style amenities and can accommodate 600 graduate students. It attracted tenants who might otherwise have chosen condominiums or purpose-built rental apartments.


Guelph/
Eramosa
Guelph
Milton
Mississauga
Puslinch
Oakville
08
Burlington
North
Dumfries
Cambridge
09
04
05
02
01
Hamilton
03
06
07
Grimsby
Brant
Brantford
Lincoln
West Lincoln
Haldimand
County
0
9.5
19
km
N

## 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** |

# Kitchener-Cambridge-Waterloo

## PURPOSE-BUILT RENTAL MARKET

| Vacancy Rate | Average Two-Bedroom Rent |
|---|---|
| 2.1% | $1,658 UP by 7.4% |

## CONDOMINIUM APARTMENT MARKET

| Vacancy Rate | Average Two-Bedroom Rent |
|---|---|
| 0.1% | $** |

**Data supressed.

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.

# HIGHLIGHTS

The overall vacancy rate in the Kitchener-Cambridge-Waterloo CMA increased to 2.1% in 2023, from 1.2% in the previous year. The increase was partly due to significant additions to new rental supply across the region.

In the current environment of rising interest rates and high house prices, some renters who would have transitioned to homeownership remained in the rental market. This put added pressure on rental demand in the region. As a result, the composition of demand has started to shift toward higher income earners and those in older age groups.

Low-income households earning less than $49,000 per year would have to spend at least $381 more than what's affordable to find a vacant 2-bedroom apartment unit. Meanwhile, they would also face increased competition from higher-income households for the few units that they could afford. Additionally, students in the region continued to struggle to find units that they could afford and that met their needs.

## Overall vacancy rates up, thanks to new supply

The overall vacancy rate in the Kitchener-Cambridge-Waterloo census metropolitan area (CMA) increased to 2.1% in 2023, from 1.2% in the previous year (Table 1.1.1). This was partly due to significant additions to new rental supply, especially in the west part of Kitchener, which saw the largest increase in the vacancy rate, from 1.3% in 2022 to 3.0% in 2023.

The increase in supply has helped offset some of the impacts of increased demand from prospective homebuyers delaying purchases in an environment of rising interest rates and greater uncertainty. The delaying of purchases contributed significantly to low apartment turnover rates in the region, suggesting reduced willingness of households to vacate rental units.

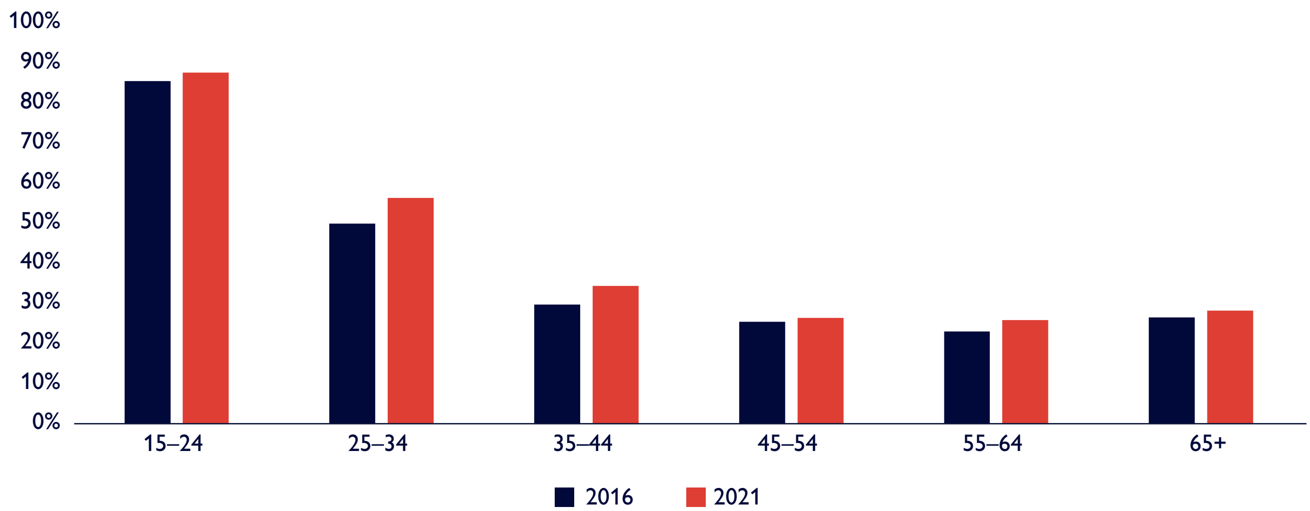
## Housing demand shifting toward rentals

Renters who would've transitioned to homeownership remained in the rental market, putting added pressure on rental demand. As a result, the composition of rental demand has started to shift toward higher-income earners and older age groups.

The share of households earning $100,000 or more per year in Kitchener-Cambridge-Waterloo increased from 36% in 2016 to 45% in 2021. Instead of declining as incomes rose, the share of households that rented their primary residence increased, from 32% in 2016 to 35% in 2021, according to census data.

Historically, rental demand has been broadly in line with newly formed households headed by younger adults. The proportion of households that rent has risen in most age groups in recent years. The increases were somewhat more pronounced for people aged 25 to 34 and 35 to 44 (6 and 5 percentage points, respectively) (Figure 1), suggesting increasing rental demand from these groups over the past few years.

### Figure 1 Share of households renting their primary residences



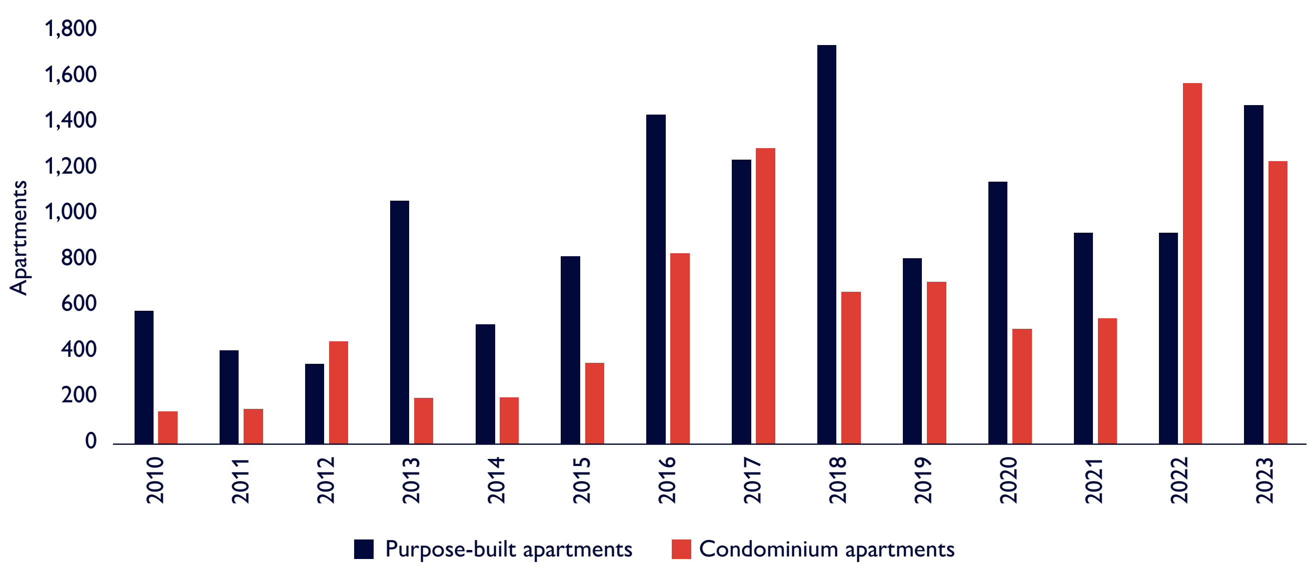

Source: Statistics Canada, Census of Population, 2016 and 2021

## Continued momentum for new rental supply

The supply of new rental apartments in Kitchener-Cambridge-Waterloo continued to increase at a robust pace. Over the 12-month period ending June 30, 2023 (the cut-off date for the survey), 1,481 new purpose-built rental apartments were completed—one of the largest yearly gains on record.

Meanwhile, the number of units added to the condominium apartment stock was 1,236. Of these, 72% were in Kitchener West and 27% in Waterloo. Many of these new units tend to be rented out by investor-owners. In 2023, the share of the total condominium apartment stock accounted for by rented condominium apartments was 33.1%.

### Figure 2 Newly added supply




Source: CMHC

## Newly completed units had higher rents, but lower vacancies

Newer units coming to market tend to be more expensive and are more affordable to higher-income households. These new units have seen increased demand from potential homebuyers. Meanwhile students in the region continued to struggle to find units that they could afford and that met their needs.

Newly added 2-bedroom units in Kitchener-Cambridge-Waterloo had an average rent of $2,100, or 27% higher than the average rent across structures of all ages (Table 3.1.7). In contrast to the overall market, vacancy rates for newer rental apartments declined to 0.5% (Table 1.2.1). The lower vacancies led to significantly higher rents for these units. In 2023, overall rent growth for rental apartments common to the 2022 and 2023 surveys in the region increased to 8.9% from 7.3% in the previous year (Table 1.1.5).

Nevertheless, new supply is expected to improve affordability at the regional level as new, higher-priced units free up lower-priced ones. Over time, this process of filtering indirectly eases demand for existing housing.

## Rental affordability challenging for lower-income households

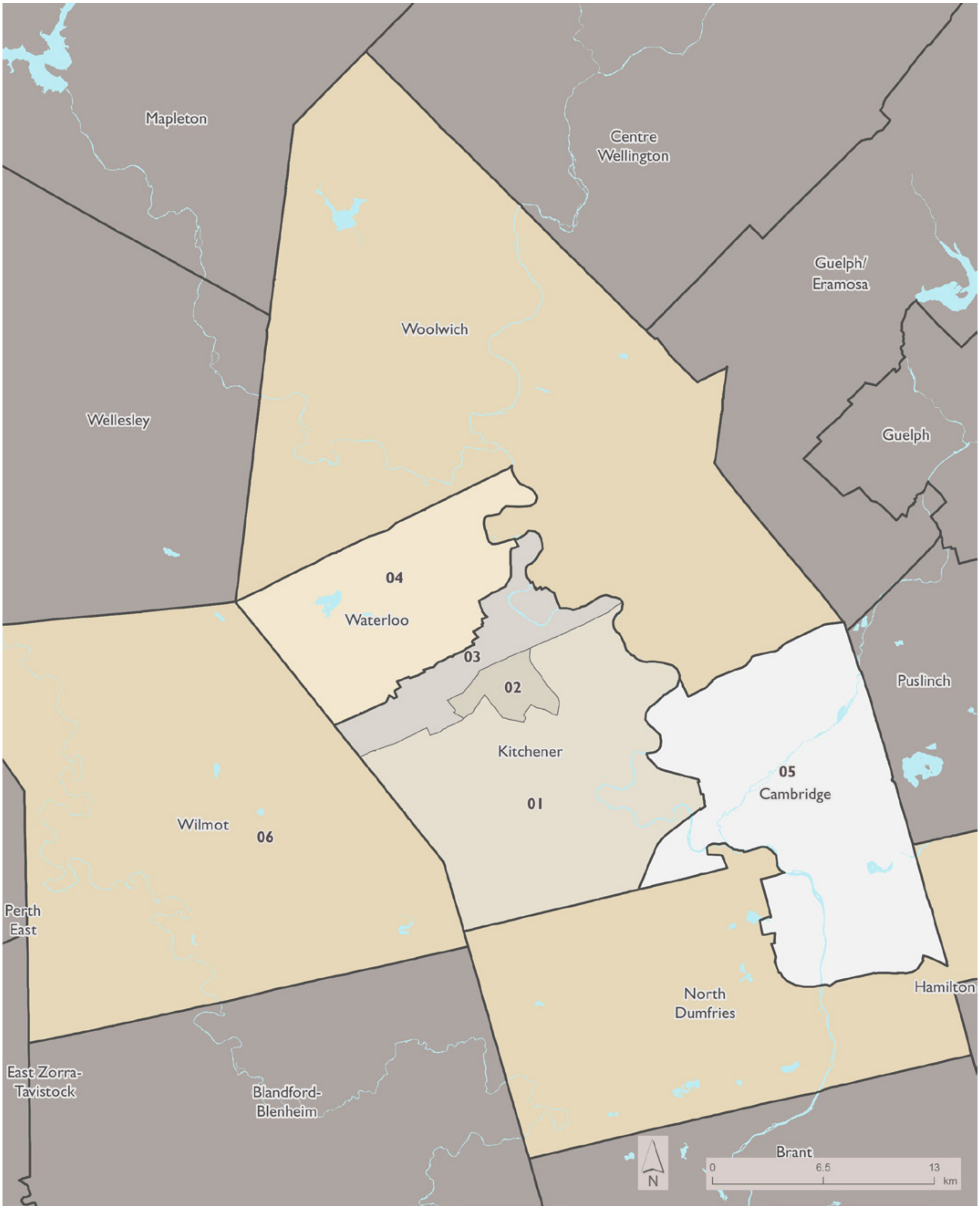
Rising rents have left many households in Kitchener-Cambridge-Waterloo with fewer affordable rental options. Units turning over to new tenants were unaffordable to most renter households. In this context, an affordable dwelling is assumed to be one where the renter household is spending less than 30% of its before-tax income on rent.

Low-income households earning less than $49,000 per year would have to spend at least $381 more per month than what's affordable to them to find vacant 2-bedroom apartment units (tables 1.1.9 and 3.1.8). Meanwhile, they would also face increased competition from higher-income households for the few units that they could afford.

## Continued supply of new condominiums coming to market

In contrast to the overall market, vacancy rates for newer condominium apartments declined to 0.1% in 2023 from 1.1% in the previous year (Table 4.3.1). This suggests that condominiums remain attractive to renters, as they tend to offer a greater range of amenities, despite generally higher rents.

Over the past 2 years, newly built condominiums led growth in new rental stock. However, the rate of condominium apartment completions was down by 22%, reaching 1,236 units in 2023. As well, more condominium owners chose to rent out their units because of rising interest rates. Altogether, this resulted in rented condominium units reaching a share of 33.1% of all condominium units in 2023 (Table 4.3.1).


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). |
| **Zones 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). |
| **Zones 1 – 6** | **Kitchener-Cambridge-Waterloo CMA** |

# Windsor

## PURPOSE-BUILT RENTAL MARKET

| Vacancy Rate | Average Two-Bedroom Rent |
|---|---|
| 2.0% | $1,253 |
| | UP by 6.5% |

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.

# HIGHLIGHTS

The overall vacancy rate remained near its record low, at 2.0%. Record-high population growth and a strengthening labour market led to an increase in rental demand, which was matched by a comparable increase in rental supply.

Rapidly increasing homeownership costs since early 2022 have led to fewer households transitioning to homeownership. This has driven rent increases, as fewer units are available for prospective renters.

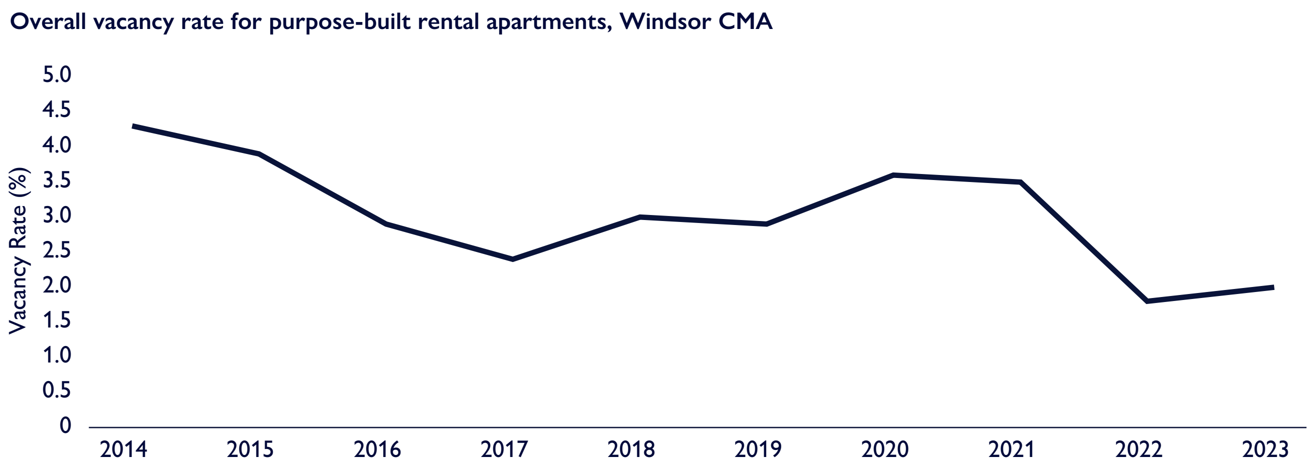
Affordability remains a challenge, as average rents increased at a quicker pace in 2023. This is particularly the case for renters seeking a new unit, since average rents for vacant units were 8.9% higher than average rents for occupied units.

## The vacancy rate remained near its record low

The vacancy rate for purpose-built rental apartments in the Windsor census metropolitan area (CMA) was 2.0% (Table 1.1.1). This is a continuation of the record-low vacancy rate observed in 2022, as shown in Figure 1. Despite the overall vacancy rate remaining stable, the vacancy rate for 2-bedroom apartments increased since last year's Rental Market Survey, rising from 1.4% to 2.3% (Table 1.1.1).

The continuation of low vacancy rates in the region suggests that rental demand has remained high relative to the supply of rental units.

**Figure 1 Low vacancy rate signals a continuation of tight rental market conditions**




Note: Vacancy rates were calculated using the CMA boundaries specific to each year.
Source: CMHC

## High demand for rental units due to population growth and a strengthening labour market

Rental demand remained strong in the Windsor CMA. The number of occupied rental apartment units increased by around 270 units, or 1.6%, since last year's Rental Market Survey.

The population of the Windsor CMA has grown at a record pace in 2023 according to Statistics Canada's Labour Force Survey. High rates of international migration to Ontario over the last year contributed to this growth. The international student population in the Windsor CMA has continued to expand as Ontario welcomed a record number of new students from abroad. Newcomers from abroad, and particularly students, typically rely on the rental market for their housing needs upon arrival.

Higher rental demand was supported by a strengthening labour market between October 2022 and October 2023. Large capital projects in the region, including the Gordie Howe International Bridge and the NextStar electric vehicle battery plant contributed to the 10% increase in employment over this period. The unemployment rate declined to 7.1% in October 2023 from 8.8% a year earlier, the third year-over-year decline in a row.

## Rental supply sees modest expansion as rental completions increase

The rental apartment universe increased by roughly 310 units, or 1.8%, since the 2022 Rental Market Survey (Table 1.1.3). The additional supply added a mix of bedroom types, with most additional units concentrated in Zone 3 (East Outer Windsor City).

Purpose-built rental completions since the 2022 survey were well above the 5-year average. Despite the increase in completions, the impact on the rental universe was diminished, after accounting for demolitions, renovations, removals and conversions of existing stock.

## Increases in homeownership costs led to fewer rental units on the market

Interest rate increases since early 2022 and high home prices have led to more renter households delaying their transition to homeownership. This is clear from the 26% decline in MLS® home sales recorded in the first half of 2023 compared to the same period in 2022.

The turnover rate for apartment units was 11.6% in 2023 (Table 1.1.6). This is a continuation of the low turnover rate recorded in 2022. A low turnover rate can signal affordability challenges in the region, with fewer renters willing to relocate because of the significant increase in costs that result from moving into a new unit.

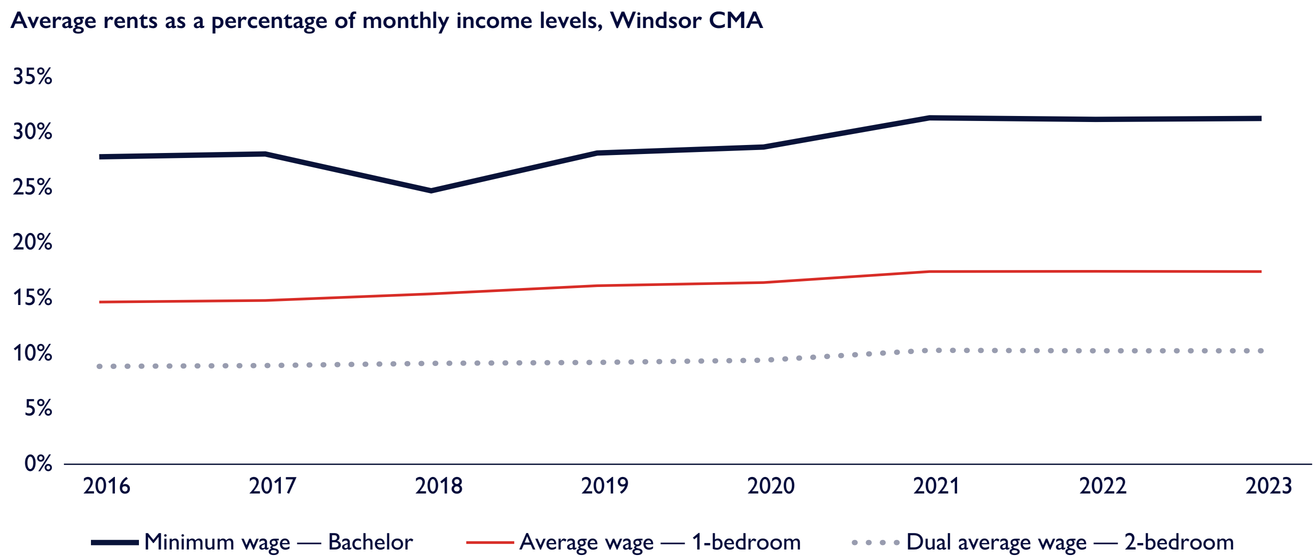
## Affordability challenges persisted as excess rental demand continued to drive rents higher

Average rent growth for 2-bedroom apartments in structures common to the 2022 and 2023 surveys climbed to 6.5% (Table 1.1.5). This was an increase from the 3.9% growth recorded in last year's survey.

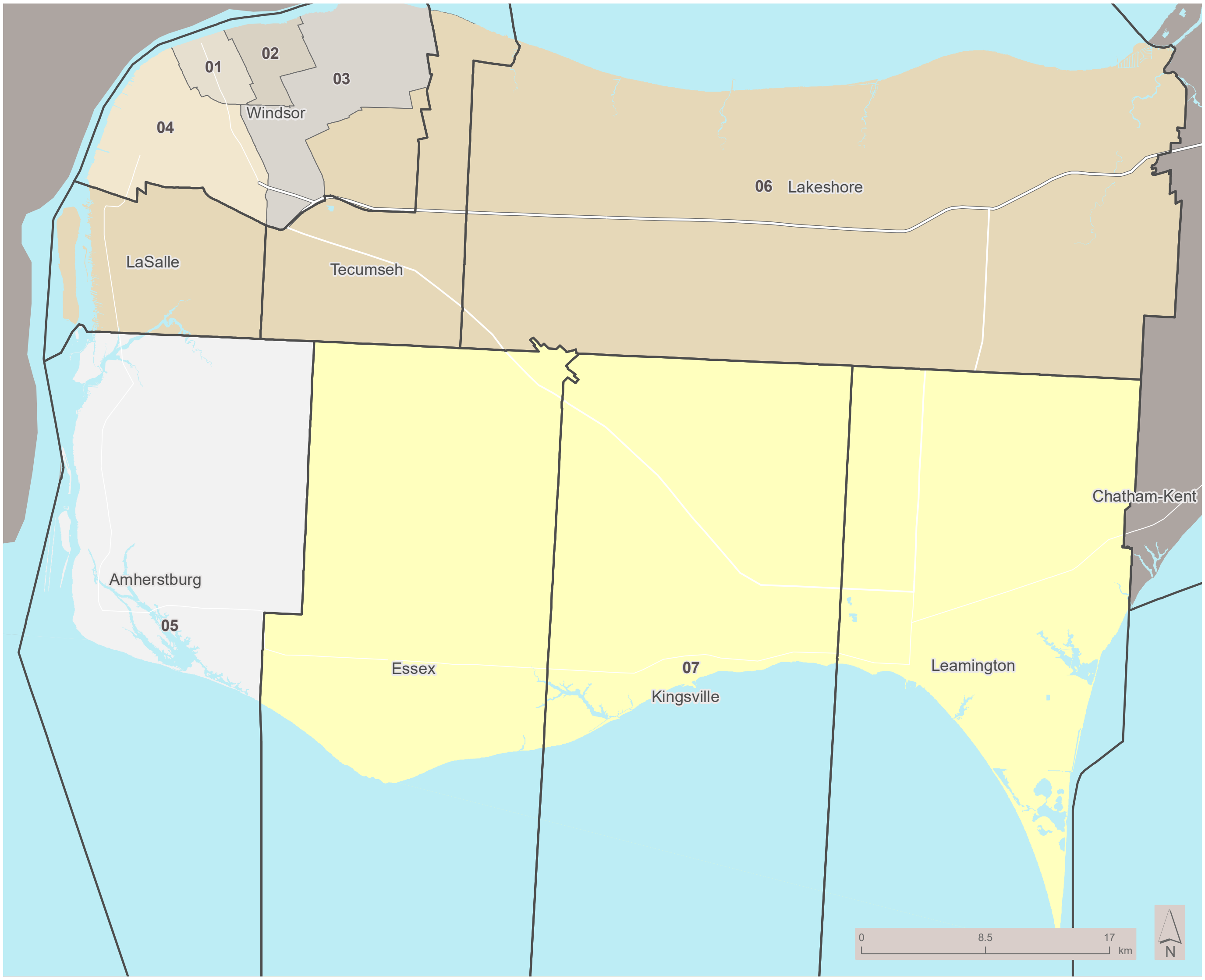
Average rents for vacant units were 8.9% higher than those for occupied units (Table 1.1.9). This gap highlights the barriers faced by both new renters entering the market and existing renters looking to relocate. The market needs additional rental supply to satisfy the excess demand and slow the rate of rent increases.

A strong economic outlook for the Windsor CMA is expected to bolster rental demand in the coming years. A sustained effort to expand rental supply will be needed to prevent rent growth from outpacing income growth for many renters in the CMA. This is especially important for lower-income groups, such as minimum-wage earners. Affordability for these groups has worsened in the past few years, as shown in Figure 2.

## Figure 2 Affordability for minimum-wage workers has worsened over time




Sources: CMHC; Statistics Canada




## 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: LaSalle T., Lakeshore Twp., St. Clair Beach V./ Sandwich South Twp./ Tecumseh T. |
| **Zone 7** | **Essex –** Includes: Essex T., Kingsville T. and Leamington MU |
| **Zones 1 – 7** | **Windsor CMA** |

# St. Catharines-Niagara

## PURPOSE-BUILT RENTAL MARKET

| Vacancy Rate | Average Two-Bedroom Rent |
|---|---|
| 2.8% | $1,388 |
| | UP by 8.4% |

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.

## HIGHLIGHTS

In the current environment of rising interest rates and high house prices, renters who would have transitioned to homeownership remained in the rental market. This put added pressure on rental demand in the region. As a result, the composition of demand has started to shift toward those in older age groups.

Despite significant additions to new rental supply, the vacancy rate in St. Catharines-Niagara was unchanged in 2023, at 2.8%.

Strong rent growth of 8.4% was due, in part, to the difference between rents paid by new tenants and those paid by long-term tenants. The reason for this difference is that, once tenants vacate their units, landlords can increase rents to market levels. Overall, this situation indicates continued pressure on rental market conditions, particularly for new renters.

Rents have grown faster than incomes in the in the St. Catharines-Niagara region. This has left even middle-income rental households with few affordable options.

## Overall vacancy rate remains stable

Despite significant additions to new rental supply, the overall vacancy rate in the St. Catharines-Niagara region was unchanged in 2023, at 2.8% (Table 1.1.1).

The increase in supply has helped offset some of the impacts of increased demand from prospective homebuyers delaying purchases in an environment of rising interest rates and greater uncertainty. The delaying of purchases contributed significantly to lower apartment turnover rates in most areas across the region, suggesting reduced willingness of households to vacate rental units. All in all, this situation has contributed to higher demand for rentals.

## Housing demand shifting toward rentals

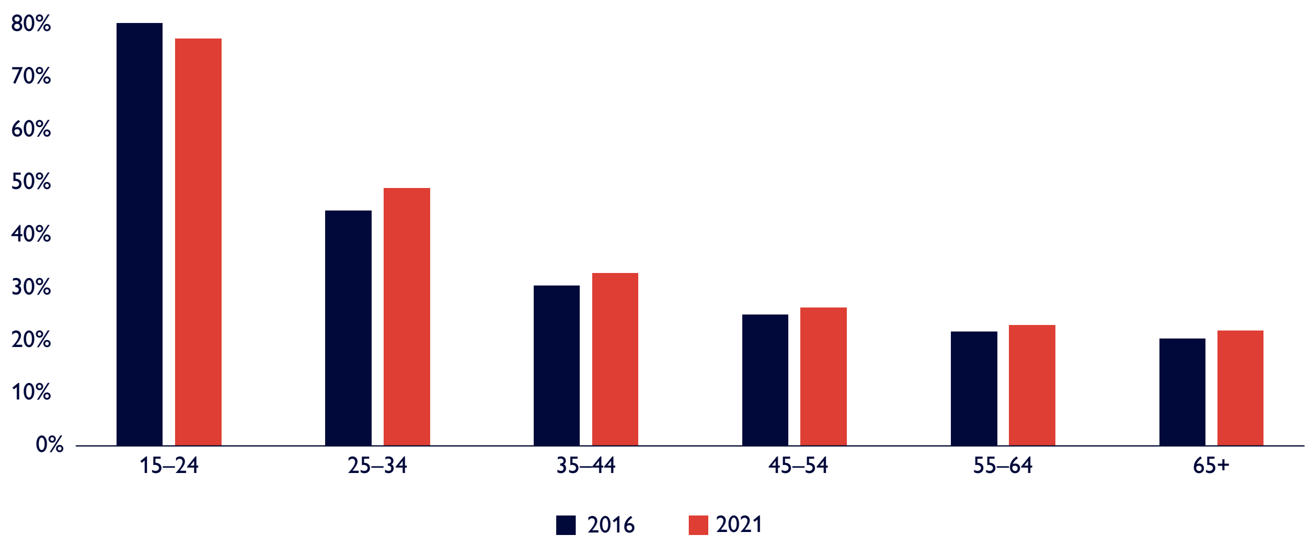
In this new environment, some of the renters who would've transitioned to homeownership remained in the rental market, putting added pressure on rental demand in St. Catharines-Niagara. As a result, the composition of rental demand has started to shift toward older age groups.

According to census data, the proportion of households in the region that rented their primary residence was higher in 2021 than in 2016 (29% and 27%, respectively).

Historically, rental demand has been broadly in line with newly formed households headed by younger adults. However, the proportion of households that rent has risen in most age groups in recent years. The increases were somewhat more pronounced for people aged 25 to 34 and 35 to 44 (4 and 2 percentage points higher, respectively) (Figure 1), suggesting increasing rental demand from these groups over the past few years.

Another key source of rental housing demand in the region continues to be population growth, thanks to continued arrivals from other countries and other Ontario cities. Within-province migration was an important driver of population growth in 2022, with a net inflow of 6,698 people from other cities in Ontario, most notably Hamilton and Toronto. At the same time, 3,646 people moved to the region from other countries.

## Figure 1 Share of households renting their primary residences



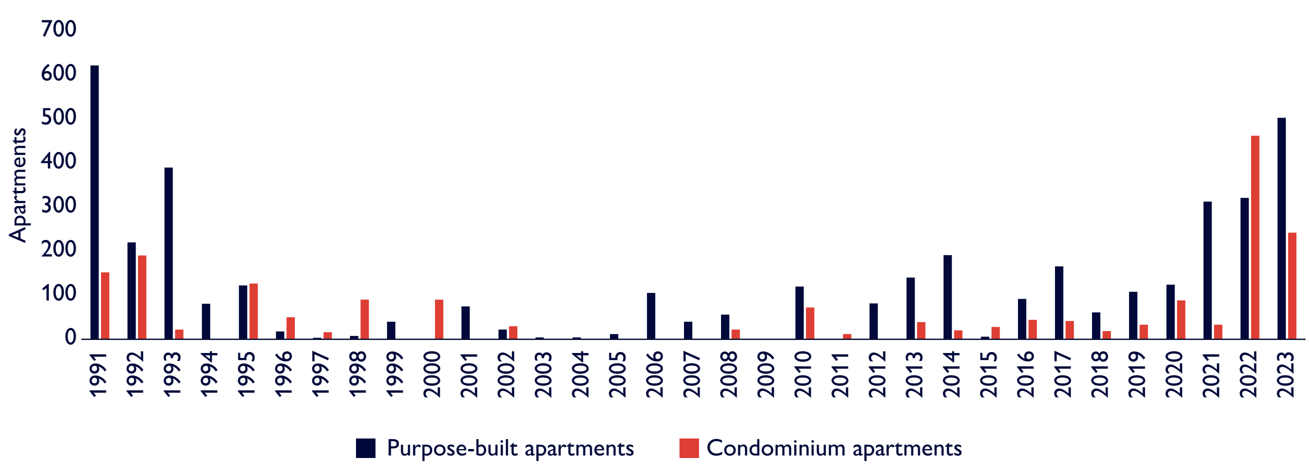

Source: Statistics Canada, Census of Population, 2016 and 2021

## Continued momentum for new rental supply

The supply of new rental units in St. Catharines-Niagara continued to increase. Over the 12-month period ending June 30, 2023 (the cut-off date for the survey), 503 new purpose-built rental apartments were completed—the highest number since the early 1990s.

Meanwhile, rental condominiums continued to be an important source of new rental supply for the region. The number of units added to the condominium apartment stock was 242, and many condominiums tend to be rented out by investor-owners.

## Figure 2 Newly added supply




Completions Data from July to June, for example, from July 2022 to June 2023 for the 2023 period.
Source: CMHC

There's no data available on this activity in St. Catharines-Niagara. However, in nearby Hamilton and Toronto, the share of the total condominium apartment stock accounted for by rented condominium apartments in 2023 was 27.1% and 38.4%, respectively, in each city. The newly completed condominium apartments may therefore have contributed to the overall increase of rental supply in the region.

## Rent growth at record high

Rent growth for 2-bedroom rental apartments common to the 2022 and 2023 surveys continued into 2023 in St. Catharines-Niagara. This growth rose to 8.4% from 6.3% in the previous year (Table 1.1.5). The increase was considerably higher than inflation, which is measured as the 12-month change in the Consumer Price Index, and which stood at 3%.

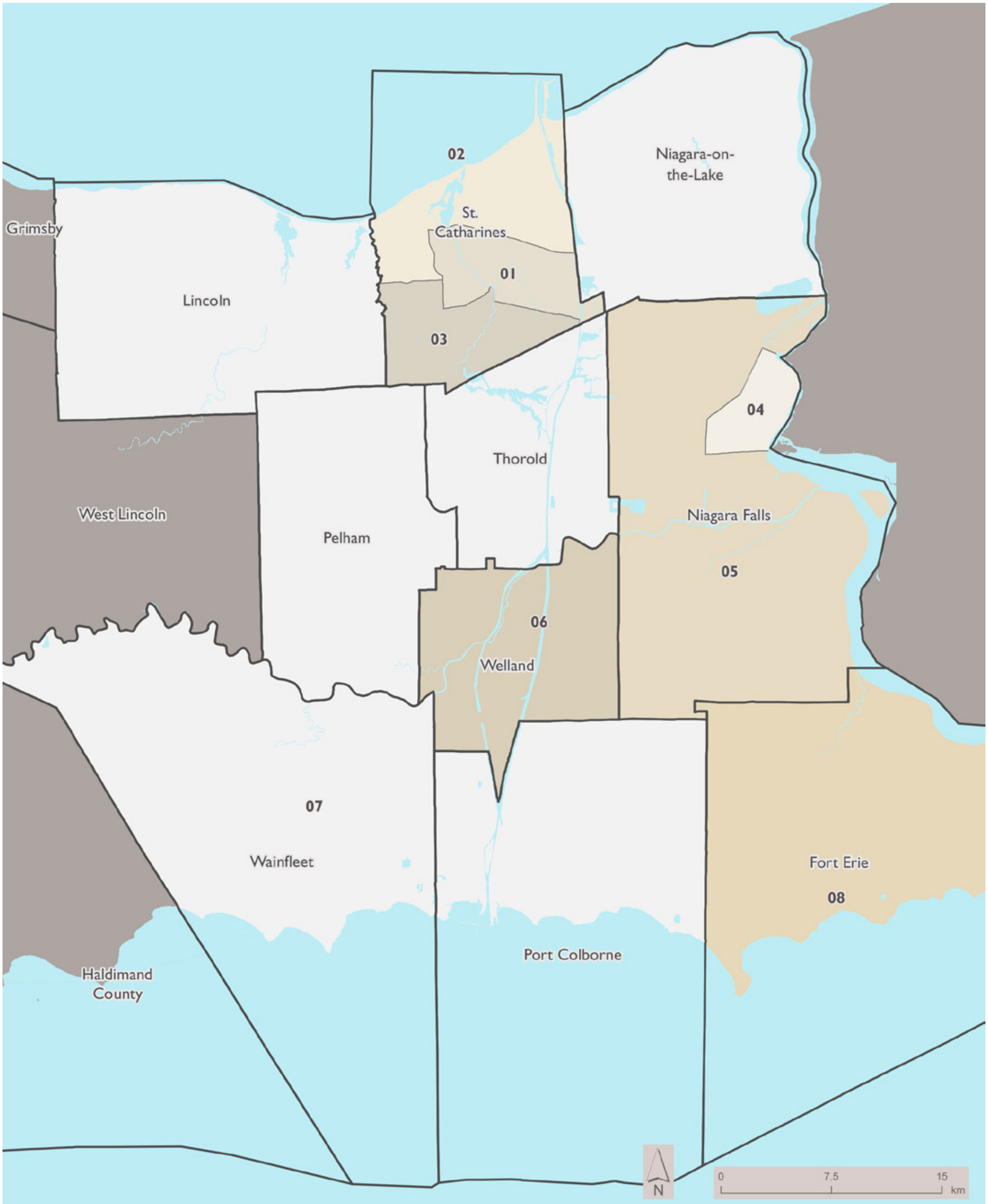
Strong rent growth was due, in part, to the difference between rents paid by new tenants and those paid by long-term tenants. In 2023, the average asking rent for units that turned over to new tenants was 25.7% higher than rents paid by long-term tenants (Canada Table 6.1). The reason for this difference is that, once tenants vacate their units, landlords can increase rents to market levels.

Overall, this situation indicates continued pressure on rental market conditions, particularly for new renters. As a result, more tenants stayed put to avoid facing higher rents. This lack of mobility led to a decline in the turnover rate from 14.9% in 2022 to 13.2% in 2023 (Table 1.1.6).

## Few vacant units were affordable to middle-income renters

Rents have grown faster than incomes in the St. Catharines-Niagara region. This has left even middle-income rental households with fewer affordable options. In this context, an affordable dwelling is assumed to be one where the renter household is spending less than 30% of its before-tax income on rent.

Only 56% of units were estimated to be affordable to middle-income renters earning between $43,000 and $56,000 annually (Table 3.1.8). More tenants stayed put to avoid facing higher rents, and vacancy rates in the lower rent ranges also declined, leaving lower-income households with fewer options.


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

## RMS Zone Descriptions — St. Catharines CMA

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

# London

## PURPOSE-BUILT RENTAL MARKET

| Vacancy Rate | Average Two-Bedroom Rent |
|---|---|
| 1.7% | $1,479 |
| | UP by 6.4% |

## CONDOMINIUM APARTMENT MARKET

| Vacancy Rate | Average Two-Bedroom Rent |
|---|---|
| 0.1% | $2,050 |

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.

# HIGHLIGHTS

Fueled by strong demand, the overall vacancy rate remained historically low at 1.7% in October 2023.

Tight market conditions caused the same-sample average rent for 2-bedroom units to grow by 6.4% to $1,479.

Most renters would find it difficult to afford rents of turned-over units. The minimum annual income required to meet the basic 30%-of-income affordability threshold is about $73,000 for a turned-over 2-bedroom unit.

The vacancy rate for condominium rental apartments dropped to an all-time low of 0.1% as demand outpaced supply.

## The overall vacancy rate remains unchanged since the last survey

The London census metropolitan area's (CMA) purpose-built rental market remains historically tight. The vacancy rate for purpose-built rental apartments was statistically unchanged at 1.7% in 2023. Although the vacancy rate was unchanged, it remained low enough to support strong rent growth (Table 1.1.5). Regionally, the City of London's and St. Thomas' vacancy rates were also statistically unchanged (Table 1.1.1).

## Job growth, high homeownership costs and migration are among key factors driving rental demand

The London CMA's rental market has faced increasing demand pressure over the last few years. Factors driving demand in 2023 include:

- strong job growth;
- increased migration; and
- high homeownership costs.

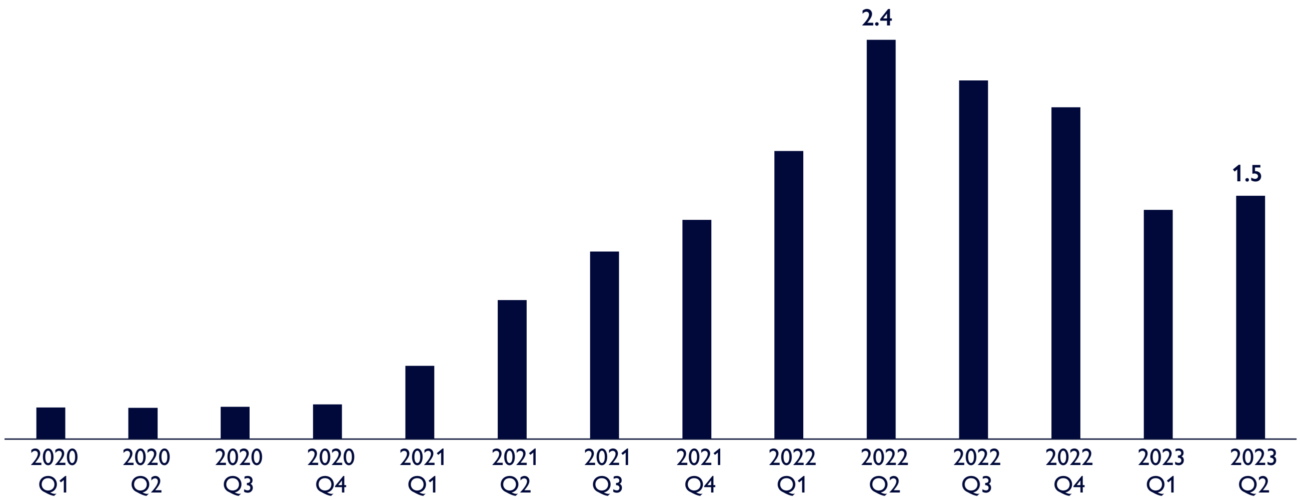
The London CMA saw strong growth in its labour market from October 2022 to October 2023 as total employment grew by 20,000 jobs (7%). Employment for people aged 15 to 24 and 25 to 44 also grew by 8% and 7%, respectively, supporting rental demand.

Over the same period, employment in the accommodation and food services, and information, culture and recreation industries grew by 34% and 10% respectively. A higher proportion of individuals in these age groups and industries tend to rent.

International migration into the London CMA was significantly higher in 2023. Data from Immigration, Refugees, and Citizenship Canada (IRCC) suggests total permanent resident admissions to the London CMA as of Q3 2023 was already 4% higher than the total for all of 2022. International migration also includes international students who, along with domestic students, are a key component of rental demand in the London CMA. Market intelligence suggests there were more student renters in the purpose-built rental market than last year. This intelligence is complemented by data from IRCC that suggests that, as of Q3 2023, the total number of study permit holders in Ontario was about 30% higher than in Q3 2022. More student renters and a lack of options led to increased competition for purpose-built rental units.

Higher mortgage rates continue to make purchasing a home difficult for potential homebuyers, keeping them in the rental market. The down payment needed to qualify for the purchase of a median-priced home in Q2 2023 was 1.5 times the region's yearly median income. This is lower than the peak in early 2022, but remains at record levels from a historical perspective.

**Figure 1 The down payment needed to qualify for the purchase of a median-priced home was 1.5 times the London CMA's yearly median income in Q2 2023**




Note: Assumes before-tax median income, 25-year ammortization period, 5-year fixed mortgage rate, and a gross debt service ratio (GDS) equal to or lower than 39% of median income.
Source: CMHC

## Tight market conditions led to significant rent growth

Average rents increased across all regions and bedroom types in the London CMA. The average rent for 2-bedroom purpose-built apartments in structures common to the 2022 and 2023 surveys grew by 6.4%. This is higher than the 5.8% growth observed in October 2022.

The impact of tight market conditions was felt more by renters seeking a new unit. The average difference in rent between turnover and non-turnover units within the same structure was 27.6% (Canada Table 6.1).

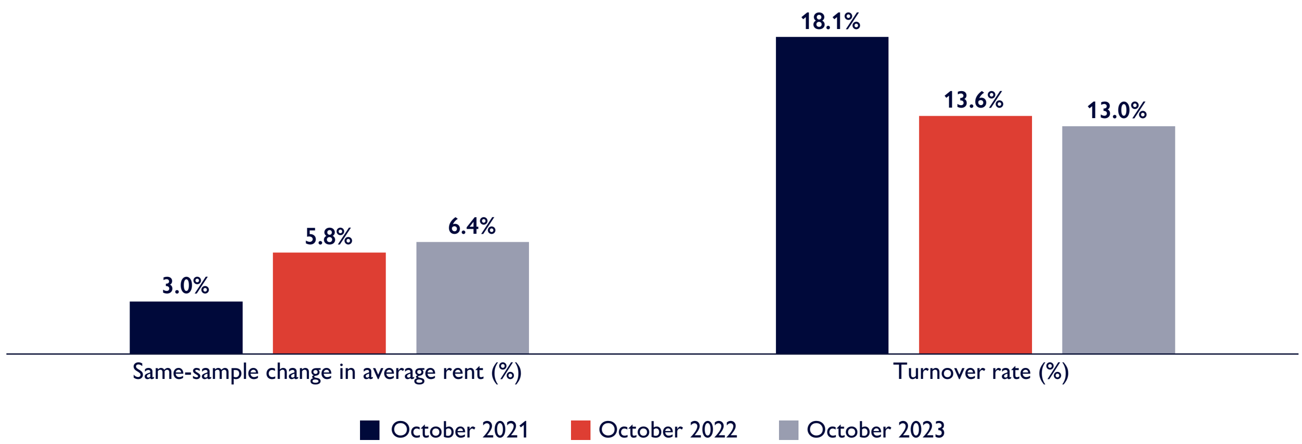
## High rents present affordability challenges and limit renter mobility

Most renters in the London CMA would find it hard to afford rents on units that turned over. In October 2023, the average rent of 2-bedroom units was $1,479 (Table 1.1.2), while the average rent of 2-bedroom units that turned over was $1,820 (Canada Table 6.0). The minimum annual income needed so that the average rent of a turned-over 2-bedroom unit would meet the basic affordability threshold of 30% of before-tax income is about $73,000.

Newer 2-bedroom apartments, built between July 2020 and June 2023, are even more expensive, with an average rent of $2,436 (Table 3.1.7). In this case, a renter household would need a minimum annual income of about $97,000 to ensure affordability. We estimate only about 20% of renter households in the London CMA earn above $90,000 a year (Table 3.1.8). This makes achieving affordability a major challenge, especially for the lowest-income households (those who make less than $30,000 a year).

Deteriorating afforability limits renter mobility, resulting in less turnover. The overall turnover rate in the London CMA fell from 15.1% in October 2022 to 14.4% in October 2023 (Table 1.1.6). Market intelligence suggests that, due to low turnover, property owners were more likely to increase rents by the full 2.5% Ontario rent guideline on sitting tenants. Increasing rents in this way stops them from falling well below market levels should the unit not turnover for many years.

**Figure 2** With accelerating rent growth in the London CMA, turnover rates have been declining



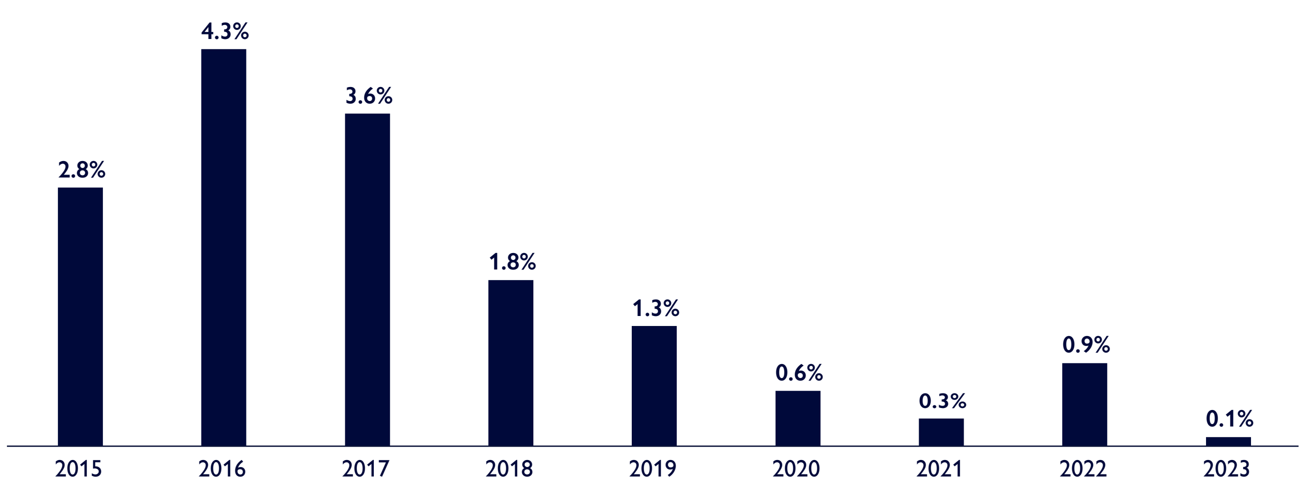

Note: Figure depicts data for 2-bedroom purpose-built rental apartments.
Source: CMHC (tables 1.1.5 and 1.1.6)

## Rental condominium market tightened despite an increase in supply

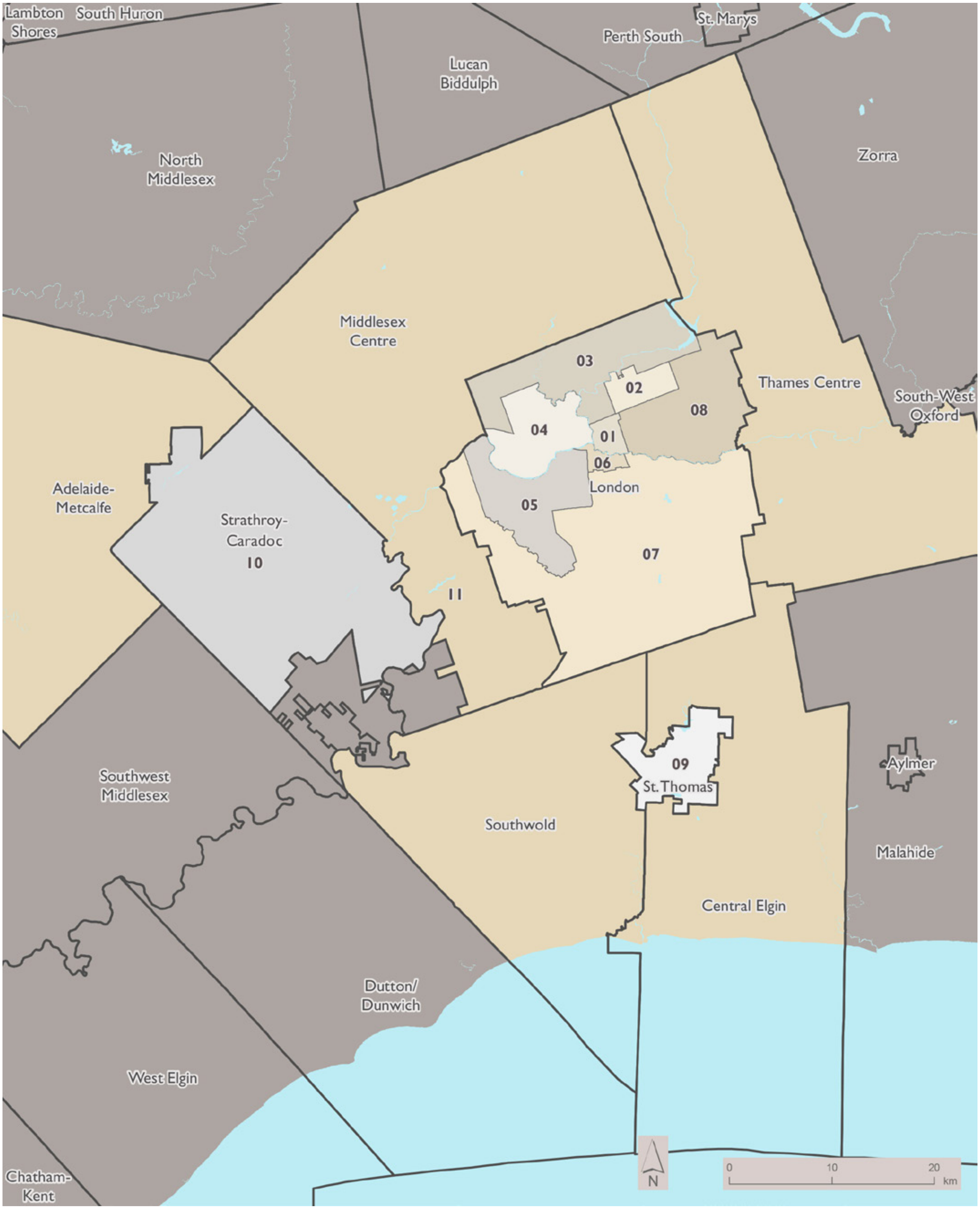
The number of rental condominium units increased by 5.9% to 3,098 units in October 2023. This pushed the percentage of condominiums offered as rentals to 36.9%. This growth in rental supply, however, couldn't keep up with demand. The number of occupied rental condominium units grew by 195 units (6.7%), pushing the vacancy rate down to 0.1% (Table 4.3.1).

Employment growth in high-wage industries (such as professional, scientific and technical services) since the last survey likely contributed to demand for condominium units. It's also likely that, due to high mortgage rates, some potential homebuyers chose to rent condominium units as an alterative. The average rent of a condominium unit was $1,869 in October 2023 (Table 4.1.3).

**Figure 3** The vacancy rate for condominium rental apartments dropped to an all-time low




Source: CMHC


Lambton Shores
South Huron
St. Marys
Perth South
Lucan Biddulph
North Middlesex
Zorra
Middlesex Centre
03
02
08
Thames Centre
South-West Oxford
04
01
06
London
05
Adelaide-Metcalfe
Strathroy-Caradoc
10
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** |

# Toronto

## PURPOSE-BUILT RENTAL MARKET

| Vacancy Rate | Average Two-Bedroom Rent |
|---|---|
| 1.5% | $1,940 |
| | UP by 8.7% |

## CONDOMINIUM APARTMENT MARKET

| Vacancy Rate | Average Two-Bedroom Rent |
|---|---|
| 0.7% | $2,862 |

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.

# HIGHLIGHTS

The vacancy rate for purpose-built rental apartments in the Greater Toronto Area (GTA) decreased from 1.7% in 2022 to 1.5% in 2023. Strong population growth, a resilient labour market and high homeownership borrowing costs contributed to market tightening.

Stiff competition for fewer vacant units led to rapid rent growth. The growth in the average rent for 2-bedroom apartments accelerated to 8.7%, the largest increase recorded since 2000.

Lower-income renters faced greater challenges in 2023. The vacancy rate for the least expensive units (bachelor units) decreased the most. Moreover, renting these units required a larger share of their income.

As a result of a broad-based deterioration in affordability and higher inflation, more renters struggled to pay their rent. The share of rental units in arrears increased to 19.6% in 2023, from 12.8% in 2022.

The vacancy rate for condominium apartments offered as long-term rentals decreased too, from 1.1% in 2022 to 0.7% in 2023. This was despite a significant jump (+9.1%) in supply.

## The vacancy rate tightened, returning to its pre-pandemic level

The vacancy rate for purpose-built rental apartments in the GTA fell from 1.7% in 2022 to 1.5% in 2023 (Table 1.1.1). This new rate was the same as the one recorded in 2019, before the start of the COVID-19 pandemic. Rental market conditions tightened because of strong population growth, a resilient labour market and high homeownership borrowing costs.

## In-migration and job growth supported rental demand

More people called the GTA home in 2023. The region receives more newcomers to Canada than any other area. According to Statistics Canada, net international migration to the country increased by a record 72.9% in the year ending June 30, 2023.

New migrants to the country typically rent. This group includes international students who, according to market intelligence gathered, increasingly turned to the purpose-built rental market due to a lack of on-campus housing options. A decline in the vacancy rate in the Former City of Toronto (2.4% in 2022 to 1.8% in 2023) (Table 1.1.1), where most of the region's post-secondary institutions are located, may have been a result of this increased reliance on the rental market.

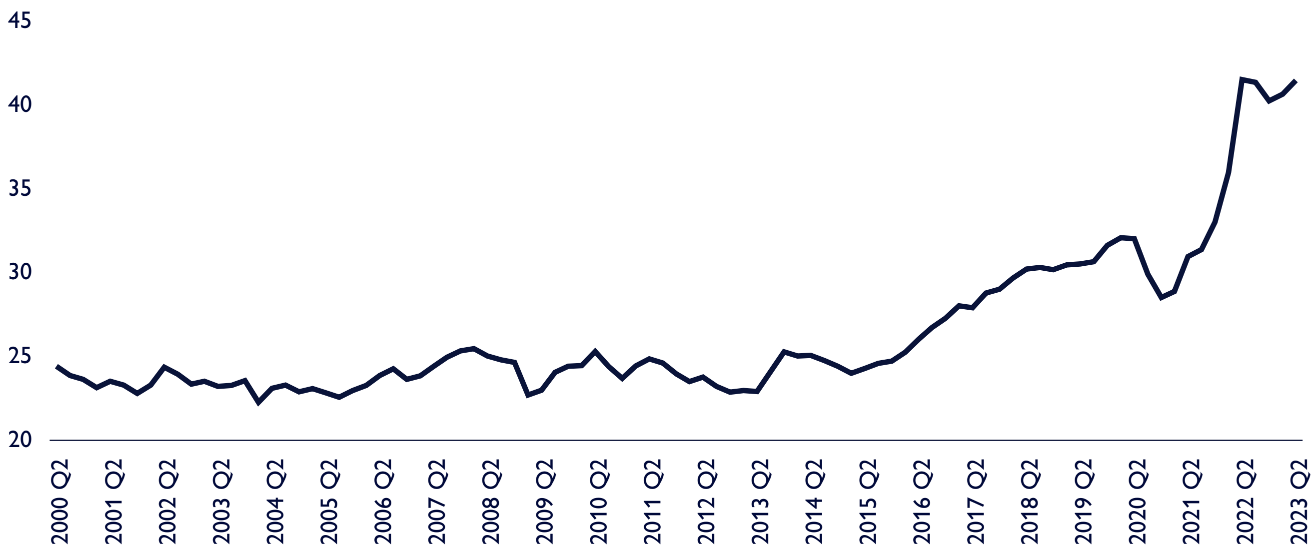
As well, despite signs of a slowing economy, the labour market remained resilient throughout 2023. Employment declines through the year were largely confined to the GTA's financial services sector. Otherwise, employment increased overall and, notably, for those aged 15 to 24 and 25 to 44 (up 5.6% and 2.6% year-over-year in October 2023, respectively, according to Statistics Canada). These 2 groups are important to the rental market, since they have a high tendency to rent. Broadly improved employment prospects may have enabled some to form renter households in 2023.

## The outflow of renters into homeownership remained weak

The demand for rentals also came from the GTA's existing population. As in 2022, it's likely that fewer renters were able to transition to homeownership in 2023. This is because market affordability for prospective homebuyers remained a challenge.

In recent years, it has become much harder to carry the cost of a home. In the second quarter of 2023, monthly housing expenses, if buying a median-priced condominium, were more than 40% of the region's median gross household income. These expenses, as a share of income, were at their highest level on record due to higher mortgage rates (Figure 1). Reduced mobility from renting to homeownership in 2023 was evidenced by lower turnover (Table 1.1.6) and weak home sale volumes throughout the year.

**Figure 1** In 2023, a record share of income would have been required to pay for the monthly homeownership expenses of a condominium apartment in the GTA (%)[1]




Source: CMHC calculations based on data from CMHC, Statistics Canada and the Bank of Canada

## Rental apartment construction on the rise

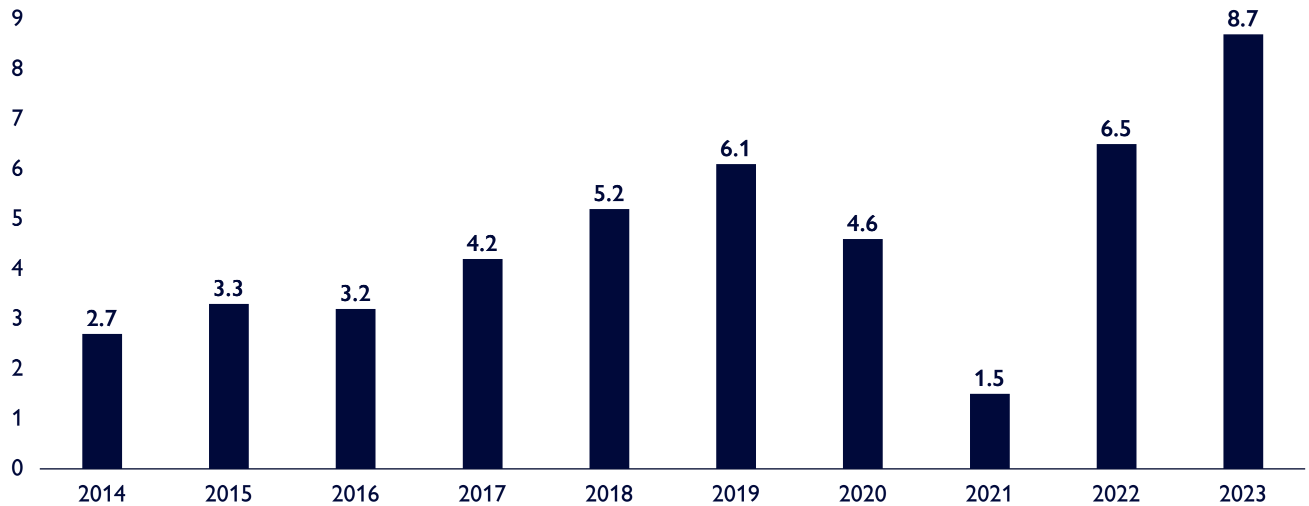
Over the last decade (2014–2023), the GTA's stock of purpose-built rental apartment units saw notable expansion (+5.8%). This growth was a resurgence following negligible growth in the 2 decades before (+1.0% and +1.4% for 2004–2013 and 1994–2003, respectively). Low vacancy rates, a fast-rising population and government financing programs (which have improved the feasibility of projects) have encouraged developers in recent years.

## Rent growth accelerated to its highest level since 2000

While the recent revival of rental construction has been encouraging, it was evidently not enough to ease the market and curb steep rent increases. The average rent of a 2-bedroom purpose-built apartment in structures common to the 2022 and 2023 surveys grew by 8.7% (Figure 2 and Table 1.1.5). This was the largest increase since 2000 and was the result of stiff competition for fewer vacant units.

[1] Simulated monthly expenses if a mortgage loan was originated during the quarter for a condominium purchased at the median market price, relative to household median before-tax income in the region. Assuming a 20% down payment, a 25-year amortization period and a 5-year fixed mortgage rate. Monthly expenses include mortgage repayment and other recurring homeowner spendings: property taxes, utilities, home insurance and maintenance (condominium fees, maintenance & repairs).

**Figure 2 Rent growth in the GTA has climbed higher over much of the last decade (%)[2]**




Source: CMHC Rental Market Survey, 2014-2023

## Smaller, less expensive units observed largest decline in vacancy rates

Given the region's high rent levels (second only to Vancouver), market intelligence indicated that prospective renters intensified their search for less expensive units. This was confirmed by the data. Bachelor units, which had the lowest average rents ($1,411), recorded the largest vacancy rate decline among the different bedroom types (2.6% in 2022 to 1.7% in 2023) (Tables 1.1.2 and 1.1.1).

However, renting even the least expensive units would have been a challenge for those with lower incomes. This is because rent growth (which has been broad-based) has outpaced wage growth in recent years. For instance, a full-time minimum wage earner would have had to allocate just over 50% of their income to rent the average bachelor unit in 2023; a share which has been steadily rising.

## High rents reduce tenant mobility within the purpose-built rental market

On average, rents for 2-bedroom units that turned over to a new tenant were 31.2% higher than those that did not see a change in tenant (Canada Table 6.1). This is because, at turnover, rents can be brought up to a level consistent with current market conditions. Meanwhile, due to rent control, rents on most non-turnover units can only be raised up to the percentage indicated by the Ontario guideline (2.5% in 2023).

The prospect of having to pay much higher rents if they change apartments likely contributed to more renters staying in their units (Table 1.1.6). It's also a challenge for those who may need to move because of changing life circumstances, such as a growing family or job relocation.

## 1 in 5 units in arrears as household budgets challenged by high inflation

The share of purpose-built rental units in arrears in the Toronto CMA was 19.6% in 2023, up from 12.8% in 2022 (Canada Table 5.0). Recently, the cost of necessities like food and transportation has gone up quickly. This made it hard for some households to afford their rent, a point confirmed by market intelligence.

[2] In reference to average same-sample rent growth for 2-bedroom purpose-built rental apartments.

## The vacancy rate for rented condominiums fell below 1%, despite a large jump in supply

The vacancy rate for condominium apartments offered as long-term rentals fell from 1.1% in 2022 to 0.7% in 2023 (Table 4.1.1). Demand offset a notable increase in supply, which moved the vacancy rate lower. This was the lowest vacancy rate since 2018 and marked a return to sub-1% vacancy for this housing type.

## High cost of homeownership likely increased demand for rented condominiums

The condominium segment of the rental market is relatively more expensive than the purpose-built segment. The rent for a 2-bedroom condominium apartment in the GTA ($2,862) was, on average, 47.5% higher than for a similar unit in the purpose-built rental segment ($1,940) (Table 4.1.2). Given high borrowing costs, it's conceivable that some higher-income households pursued condominium rentals as an alternative to entry-level homeownership.

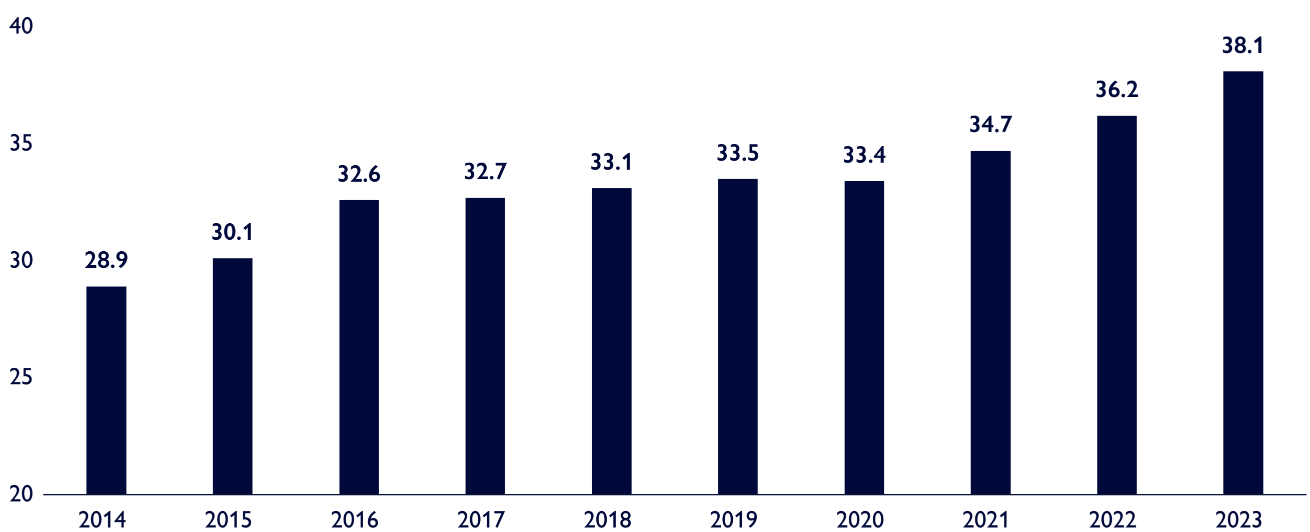
## The share of rented condominium apartments moved higher

There was a notable increase (+9.1%) in the GTA's stock of condominium rental apartments (Table 4.3.1). This was due to more units being rented out in both existing and new projects (nearly 40% of units in newly built projects added to the survey in 2023 were rented out, up from 37% in 2022). As a result, the share of apartments held by long-term investors grew to 38.1% (Figure 3 and Table 4.3.1).

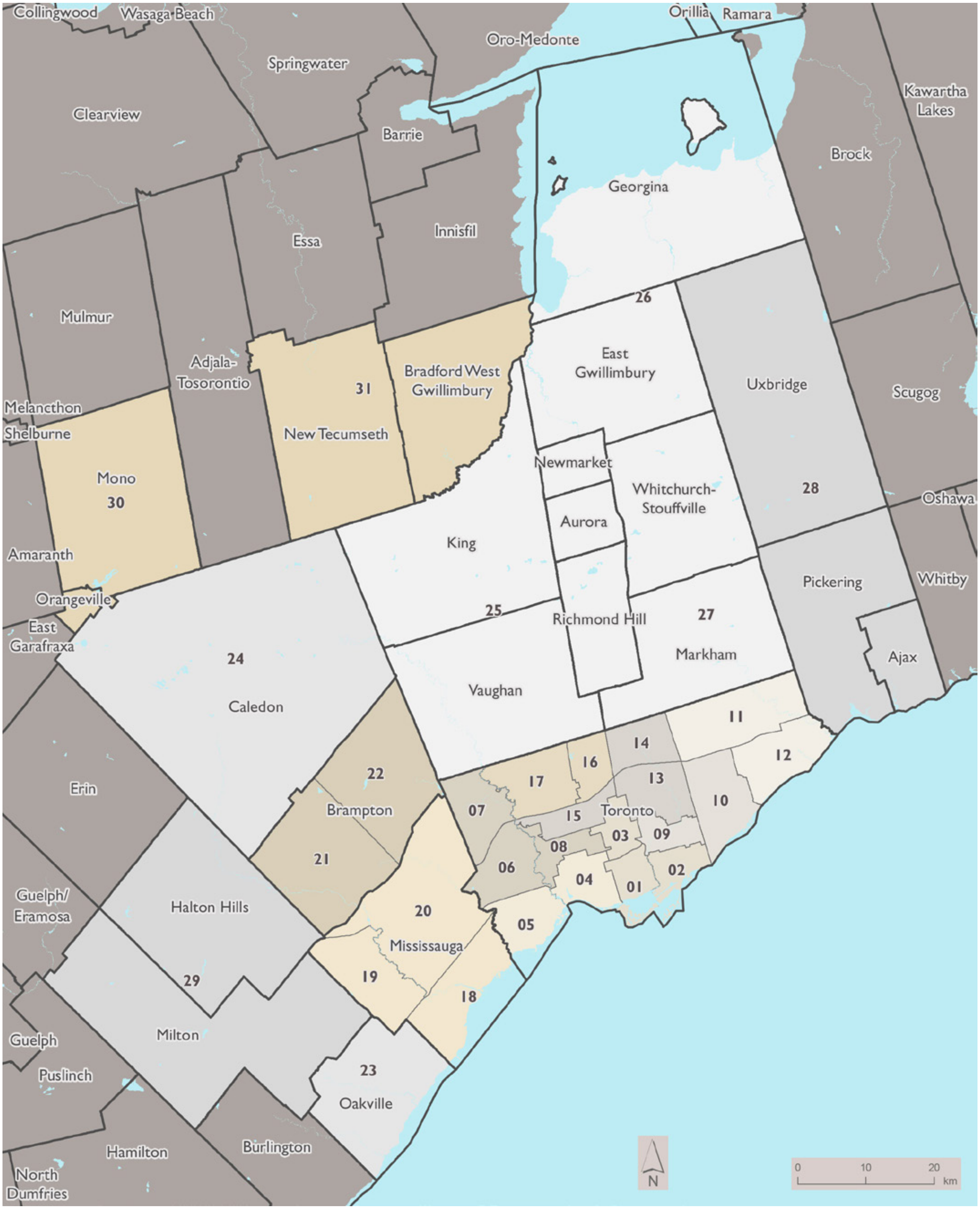
Two reasons explain why more investor-owners, especially those with properties in the City of Toronto, may have been compelled to rent out their units:

- Selling conditions in the homeownership market were unfavourable. According to CREA and Altus Group, sales of existing and new condominiums in the GTA were down 11% and 40% in 2023, respectively, year-over-year (for the January-to-October period).
- Compliance with bylaws (that is, for vacant units and short-term rentals) that aim to facilitate tenant access to long-term rental accommodations.

**Figure 3 Nearly 2 out of every 5 condominium apartments were rented in the GTA (%)**




Source: CMHC Rental Market Survey, 2014–2023


Collingwood
Wasaga Beach
Orillia
Ramara
Oro-Medonte
Springwater
Clearview
Barrie
Kawartha Lakes
Brock
Georgina
Essa
Innisfil
26
Mulmur
Adjala-Tosorontio
31
Bradford West Gwillimbury
East Gwillimbury
Uxbridge
Scugog
Melancthon
Shelburne
New Tecumseth
Newmarket
Whitchurch-Stouffville
Mono
30
28
Oshawa
Aurora
King
Amaranth
Pickering
Whitby
Orangeville
25
Richmond Hill
27
East Garafraxa
Markham
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Ajax
Caledon
Vaughan
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Erin
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Brampton
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Toronto
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21
06
04
02
01
Guelph/Eramosa
Halton Hills
20
05
Mississauga
29
19
18
Guelph
Milton
23
Puslinch
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: Former City Limit & Don River; South: Lake Ontario; West: Bathurst St. (East Side). |
| **Zone 2** | **Former City of Toronto (East)** – North: Former City Limit; East: Former City Limit; South: Lake Ontario; West: Don River. |
| **Zone 3** | **Former City of Toronto (North)** – North: Former City Limit; East: Former City Limit; South: C.P.R. Line; West: Former City Limit (Bathurst St. East Side). |
| **Zone 4** | **Former City of Toronto (West)** – North: Former City Limit; East: Bathurst St. (West Side); South: Lake Ontario; West: Former City Limit. |
| **Zones 1 – 4** | **Former City of Toronto** |
| **Zone 5** | **Etobicoke (South)** – North: Bloor St. West; East: Humber River; South: Lake Ontario; West: Etobicoke Creek. |
| **Zone 6** | **Etobicoke (Central)** – North: Highway 401; East: Humber River; South: Bloor St. West; West: Etobicoke Creek. |
| **Zone 7** | **Etobicoke (North)** – North: Steeles Ave.; East: Humber River; South: Highway 401; West: Etobicoke Creek. |
| **Zones 5 – 7** | **Etobicoke** |
| **Zone 8** | **York** |
| **Zone 9** | **East York** |
| **Zone 10** | **Scarborough (Central)** – North: Highway 401; East: Brimley Rd. & McCowan Rd.; South: Lake Ontario; West: Former City Limit. |
| **Zone 11** | **Scarborough (North)** – North: Steeles Ave.; East: Former City Limit; South: Highway 401 & Twyn Rivers Dr.; West: Former City Limit . |
| **Zone 12** | **Scarborough (East)** – North: Highway 401 & Twyn Rivers Dr.; East: Former City Limit; South: Lake Ontario; West: Brimley Rd. & McCowan Rd. |
| **Zones 10 – 12** | **Scarborough** |
| **Zone 13** | **North York (Southeast)** – North: Highway 401; East: Former City Limit; South: Former City Limit; West: Yonge St. |
| **Zone 14** | **North York (Northeast)** – North: Steeles Ave.; East: Former City Limit; South: Highway 401; West: Yonge St. |
| **Zone 15** | **North York (Southwest)** – North: Highway 401; East: Yonge St. & Former City Limit; South: Former City Limit; West: Former City Limit. |
| **Zone 16** | **North York (North Central)** – North: Steeles Ave.; East: Yonge St.; South: Highway 401; West: Dufferin St. |
| **Zone 17** | **North York (Northwest)** – North: Steeles Ave.; East: Dufferin St.; South: Highway 401; West: Humber River. |
| **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. |
| **Zone 19** | **Mississauga (Northwest)** – North: Highway 401; East: Credit River; South: Dundas St.; West: City Limit. |
| **Zone 20** | **Mississauga (Northeast)** – North: Steeles Ave.; East: City Limit; South: Dundas St.; West: Credit River. |
| **Zones 18 – 20** | **Mississauga** |
| **Zone 21** | **Brampton (West)** – North: Mayfield Rd.; East: Heart Lake Rd.; South: Highway 407; West: Winston Churchill Blvd.. |
| **Zone 22** | **Brampton (East)** – North: Mayfield Rd.; East: Highway 50; South: Highway 407; West: Heart Lake Rd. |

| | |
|---|---|
| **Zone 23** | **Oakville** |
| **Zone 24** | **Caledon** |
| **Zone 25** | **Richmond Hill, Vaughan and King** |
| **Zone 26** | **Aurora, Newmarket, Whitchurch-Stouffville, East Gwillimbury and Georgina** |
| **Zone 27** | **Markham** |
| **Zones 25 – 27** | **York Region** |
| **Zone 28** | **Pickering, Ajax and Uxbridge** |
| **Zone 29** | **Milton and Halton Hills** |
| **Zone 30** | **Orangeville** |
| **Zone 31** | **Bradford-West Gwillimbury and New Tecumseth** |
| **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; and Zone 9: East York. |
| **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 Zone 10: 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** | **City of Toronto** |
| **Sub Area 5** | **York Region** includes RMS Zone 25: Richmond Hill, Vaughan and King; Zone 26: Aurora, Newmarket, Whitchurch-Stouffville, East Gwillimbury and Georgina; and Zone 27: Markham. |
| **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; 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% | $1,698 |
| | UP by 4.0% |

## CONDOMINIUM APARTMENT MARKET

| Vacancy Rate | Average Two-Bedroom Rent |
|---|---|
| 0.4% | $2,085 |

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

## HIGHLIGHTS

Rental supply and demand increased at such a pace that the vacancy rate in the Ottawa region remained stable, at just 2.1%.

Supply increased significantly but demand grew at the same pace. The rental market therefore remained tight.

Few units are available in the lower rent ranges. For 2-bedroom apartments with rents under $750, the vacancy rate is 0.0%.

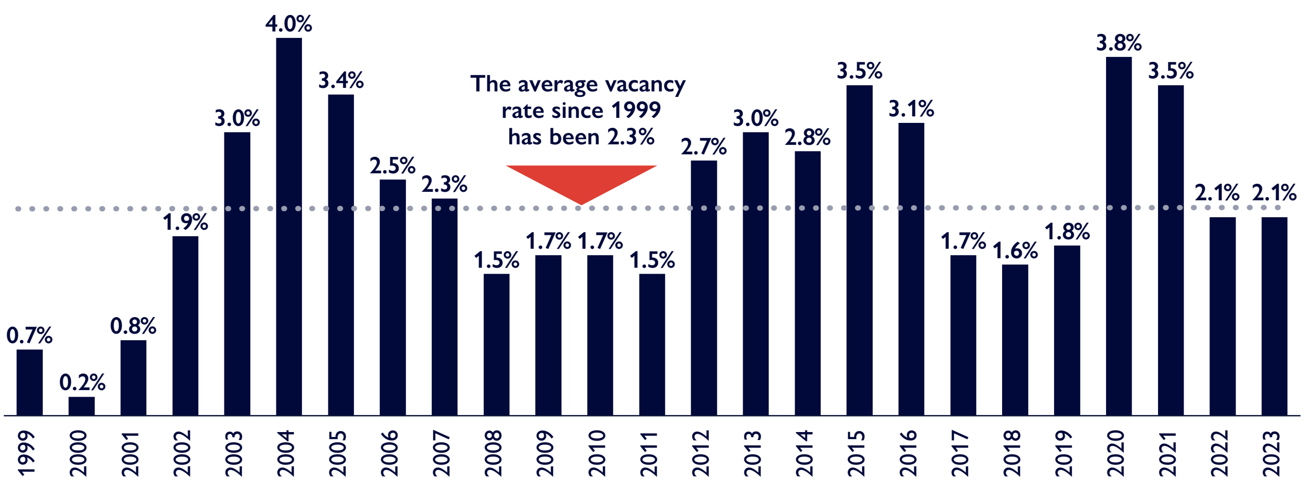
The average rent increase for a 2-bedroom unit in 2023 was 4.0%. The average rent remained higher for turnover units ($1,903) than for non-turnover units ($1,643).

The rental condominium vacancy rate remained low, at 0.4%. It has been below 1% since 2019.

## The rental market remained tight in 2023

The Ontario portion of the Ottawa-Gatineau census metropolitan area (CMA) posted a low vacancy rate of 2.1% in 2023. Although this rate is close to the historical average, the difference is that it was accompanied by a larger increase in rents. Together, these factors make it difficult for tenants to find housing.

**Figure 1 The vacancy rate in 2023 is close to the average for the last two decades**




Source: CMHC

## Neighbourhoods with lower rents have the lowest vacancy rates in the Ottawa area

Vacancy rates remain low in several sectors of the Ottawa area. The more Easterly, often less expensive sectors were the ones with the sharpest declines in 2023.

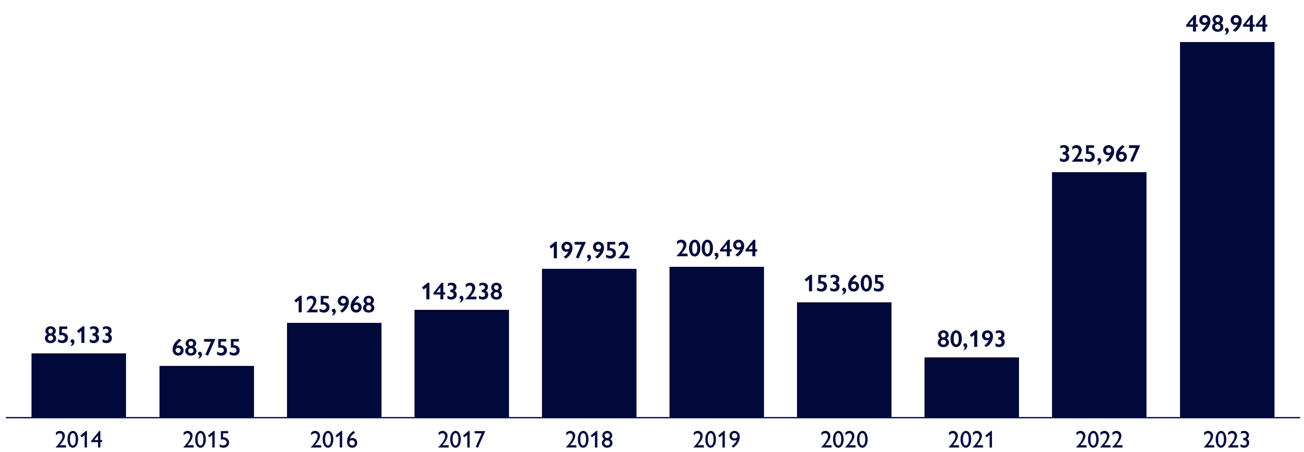
- Being more affordable, Gloucester and Eastern Areas saw the largest annual decrease in vacancy rates. It fell from 4.0% in 2022 to 1.1% in 2023.
- The vacancy rate in the outskirts of the Former City of Ottawa remained low at 2.2%.
- However, the vacancy rate in Nepean/North Grenville/Western Areas eased slightly, rising from 1.2% in 2022 to 2.0% in 2023.

## Persistent demand for purpose-built rental apartments is keeping the Ottawa-area market under pressure

In 2023, international migration remained high. A record number of immigrants and non-permanent residents settled in the province. On July 1, 2023, Ontario's net international migration was 56% higher than in the previous year. Some of these new residents chose to settle in the Ottawa area, strengthening demand on the market.

Moreover, access to homeownership is becoming increasingly difficult given rising prices and mortgage rates. Due to this situation, many households have decided to keep renting.

**Figure 2 The record migration to Ontario in 2023 has added pressure to rental demand**




Net international migration, Ontario, July to June.
Source: Statistics Canada

Finally, despite a slight increase in unemployment in 2023, Ottawa's labour market remained dynamic. The unemployment rate rose from 4% to 5.1% between October 2022 and October 2023.

These trends are fuelling strong demand for rental units.

## Supply is growing rapidly, but not quickly enough to ease market pressure

The continued additional supply of new apartments on the Ottawa rental market, which began in 2020, continued in 2023. More than 3,500 new rental units were completed in 2023, a record high compared to previous years.

The low vacancy rates in 2022 and 2023 show that these additions were not enough to soften the market, given the strong demand.

## There is a wide rent gap between turnover units and non-turnover units

The average rent for a 2-bedroom apartment increased by 4.0% in 2023, a slower growth compared to 2022 (4.8%). During the same period, the tenant turnover rate remained stable at 16.7%.

For the past 2 years, available units have been increasingly scarce, as before the pandemic. The $260 rent gap between apartments with and without tenant turnover reflects this rental market tightening.

More specifically, the average rent for a 2-bedroom apartment in 2023 was:

- $1,903 for units that did turn over to a new tenant.
- $1,643 for units that didn't turn over to a new tenant.

## It is becoming increasingly difficult for households to find housing that meets their needs

The scarcity of 2-bedroom units continues to make it more difficult for lower-income households to find housing in the lEast expensive segments of the market (Table 1).

In the higher rent ranges, the vacancy rate is slightly higher. These units are often newly built or located in relatively expensive areas. While this supply helps ease pressure on the rental market, these higher-priced units are not affordable for all households.

### Table 1 Vacancy rate for 2-bedroom units by monthly rent range

| Monthly rent range | Vacancy rate (%) |
|---|---|
| $749 or less | 0.0 |
| $750 to $1,399 | 3.6 |
| $1,400 to $2,049 | 1.5 |
| $2,050 to $3,049 | 2.6 |
| $3,050 or more | 4.3 |

Source: CMHC

## The rental condominium apartment market remained tight in 2023

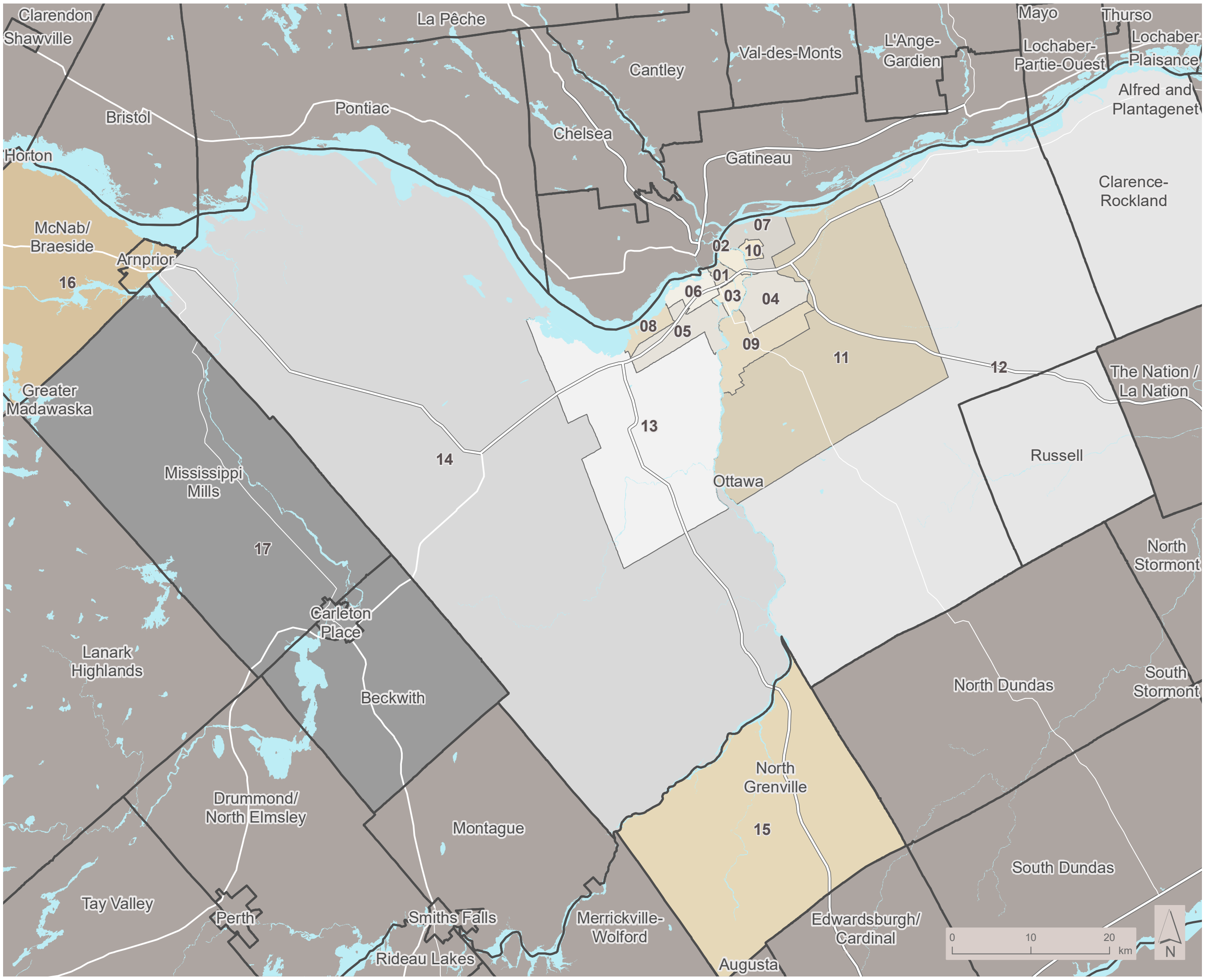
The vacancy rate for rental condominium units was close to 0% in 2023. This trend has persisted since 2019, when the vacancy rate fell below 1% and subsequently stayed at that level. This market remains tight in all sectors of the Ottawa area.

While the supply of rental condominiums increased over the year, demand grew at the same pace.

The proportion of rental condominium units has remained stable since 2016, at about 30%. The average rent for a 2-bedroom condominium remained higher than for a similar-sized purpose-built rental apartment:

- $2,085 for rental condominiums.
- $1,698 for purpose-built rental apartments.

Most rental condominiums are newer units, which means generally higher rents. This partially explains the gap in rental rates between condominium rentals and purpose-built rentals.


Clarendon
Shawville
La Pêche
Cantley
Val-des-Monts
L'Ange-Gardien
Mayo
Thurso
Lochaber-Partie-Ouest
Lochaber-Plaisance
Alfred and Plantagenet
Bristol
Pontiac
Chelsea
Gatineau
Horton
McNab/Braeside
Arnprior
16
Clarence-Rockland
07
02
10
01
06
03
04
08
05
09
11
12
The Nation / La Nation
Greater Madawaska
13
14
Russell
Mississippi Mills
Ottawa
17
North Stormont
Carleton Place
Lanark Highlands
North Dundas
South Stormont
Beckwith
North Grenville
Drummond/North Elmsley
15
Montague
South Dundas
Tay Valley
Perth
Smiths Falls
Merrickville-Wolford
Edwardsburgh/Cardinal
Rideau Lakes
Augusta
0
10
20
km
N

## 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 and Russell. |
| **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)** |
| **Zone 16** | **Arnprior** |
| **Zone 17** | **Carleton Place** |

## 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 (New Edinburgh/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 | Average Two-Bedroom Rent |
|---|---|
| 1.1% | $1,252 |
| | UP by 8.9% |

## CONDOMINIUM APARTMENT MARKET

| Vacancy Rate | Average Two-Bedroom Rent |
|---|---|
| **% | $1,708 |

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

**Data supressed.

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.

# HIGHLIGHTS

Rental supply and demand growth kept pace in 2023, resulting in a stable vacancy rate of just 1% in the Gatineau area.

The vacancy rate for units with rents under $1,575 was below 1%. It's therefore becoming even more difficult for lower-income households to find housing that meets their needs.

The gap in rent between vacant and occupied 2-bedroom units was nearly $500.

The vacancy rate in the Hull sector, where rental condominiums are concentrated, was just 0.1% in 2023.

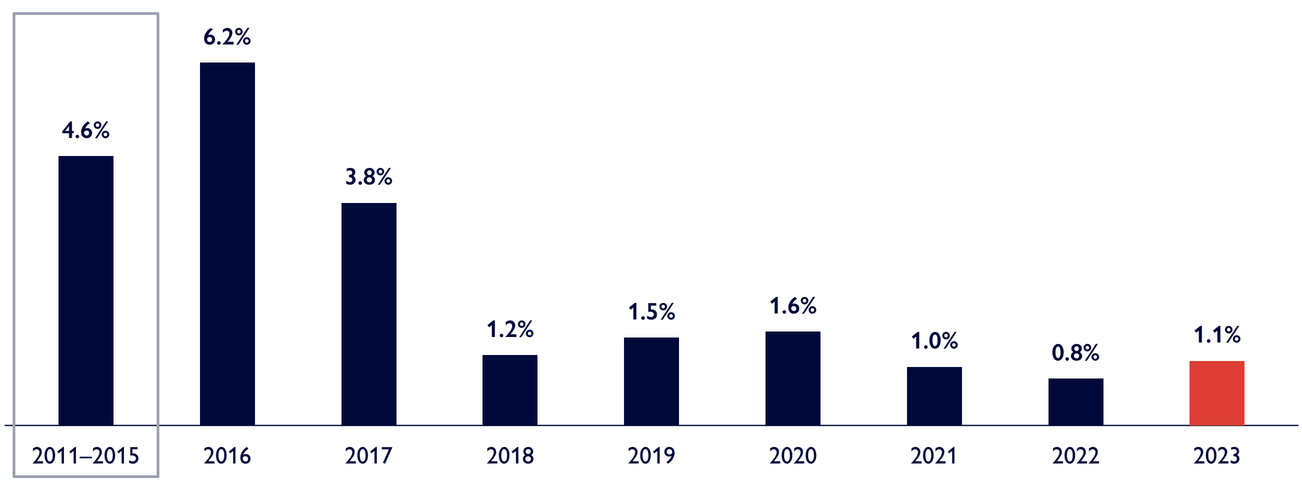
## Vacancy rates remained at a historically low level

In 2023, the vacancy rate was 1.1% in the Québec portion of the Ottawa-Gatineau census metropolitan area (CMA). This rate has remained stable in the area since 2018.

## It's getting harder for households to find housing that meets their needs in their rent range

In 2023, there were almost no available apartments in the least expensive rent ranges in the Gatineau area (Table 1). This scarcity puts additional pressure on the lowest-income households.

**Figure 1 Vacancy rate in the CMA has held steady at around 1% since 2018**




Data from July to June, for example, from July 2022 to June 2023 for the 2023 period.
Source: CMHC

### Table 1 Vacancy rate by monthly rent range

| Monthly rent range | Vacancy rate (%) |
|---|---|
| $749 or less | 0.2 |
| $750 to $1,074 | 0.4 |
| $1,075 to $1,574 | 0.9 |
| $1,575 to $2,224 | 3.5 |
| $2,225 or more | 4.1 |

Source: CMHC

## Rental demand is increasing as a result of migration and a slower transition to homeownership

A record number of immigrants settled in the province in 2023, and some chose to settle in the Gatineau area. Most of these immigrants choose to rent upon arrival, strengthening demand in the area.

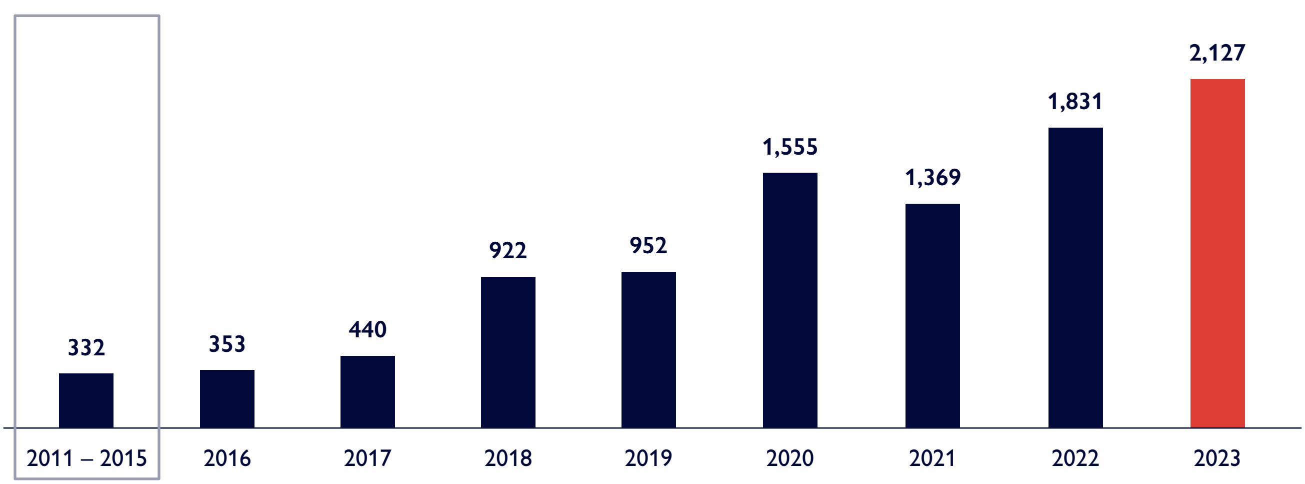
Rents are lower in Gatineau than in Ottawa, which contributes to sustained demand on the rental market. At the last census, nearly 35% of new tenants in Gatineau moved from the Ottawa area.

Because of high prices on the resale market and rising mortgage rates, a significant proportion of households remain renters. This is particularly the case for young people. Lastly, employment remained robust in the CMA, with an unemployment rate of 4% in October 2022 and October 2023. This favours the formation of young households, who are often renters, which supports rental demand.

## Supply grew rapidly, but not enough to ease market pressure

Supply has grown steadily in the area over the last five years. This trend continued in 2023 (2,127 units completed). The persistently low vacancy rate, currently 1.1%, shows that the addition of these new units has kept pace with demand. Given the strong demand, current supply growth is not enough to ease pressure on the market.

### Figure 2 Sustained increase in purpose-built rental completions in the Gatineau area




Data from July to June, for example, from July 2022 to June 2023 for the 2023 period.
Source: CMHC

## Rents are higher for renters who moved or are looking for housing

Rent for a 2-bedroom apartment increased by 8.9% in 2023. Average rent in the Gatineau area:

- $1,208 for units with renewed leases;
- $1,375 for units that turned over to new tenants.

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.

Rents charged to households looking for housing were higher than those for occupied units. The average rent on a vacant 2-bedroom unit was $1,750. For 2-bedroom units, the gap between vacant and occupied units was roughly $500.

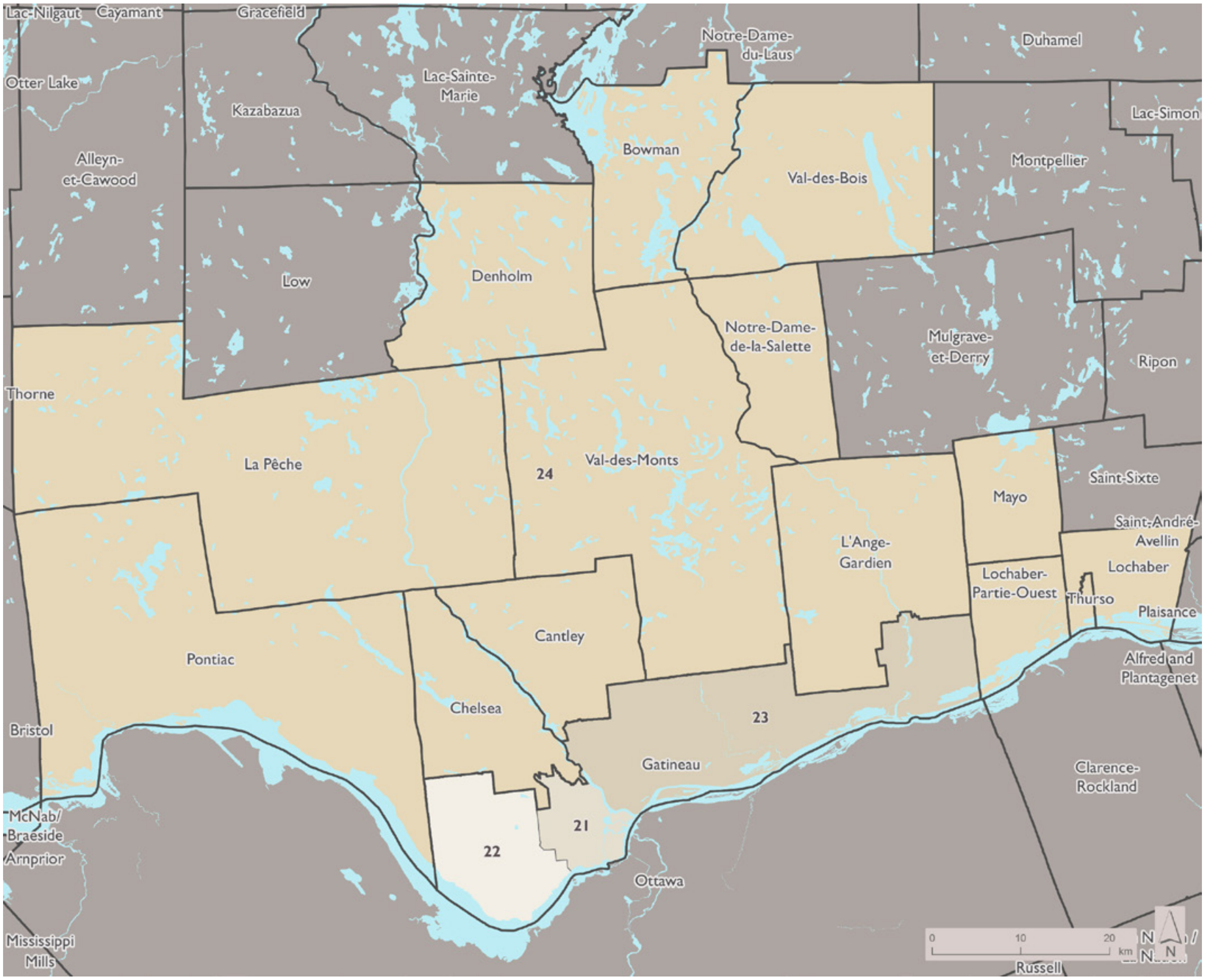
## Rental condominium market also tightened in 2023

The vacancy rate in Hull, where rental condominiums are concentrated, was just 0.1%. As with the purpose-built rental market, demand remained strong due to demographic changes and slower transition to homeownership. The low vacancy rate also reflects the scarcity of supply observed on the rental condominium market since 2019.

Rents remained higher, well above those for 2-bedroom purpose-built rental units:

- $1,708 for rental condominium apartments;
- $1,252 for purpose-built rental apartments.

Most rental condominiums are newer units, which results in generally higher rents. This partially explains the gap in rental rates between condominium rentals and purpose-built rentals.




## 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).** |

# Montréal

## PURPOSE-BUILT RENTAL MARKET

| Vacancy Rate | Average Two-Bedroom Rent |
|---|---|
| 1.5% | $1,096 |
| | UP by 7.9% |

## CONDOMINIUM APARTMENT MARKET

| Vacancy Rate | Average Two-Bedroom Rent |
|---|---|
| 1.3% | $1,642 |

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.

# HIGHLIGHTS

The vacancy rate in Greater Montréal fell again in 2023, from 2% to 1.5%. Housing supply struggled to keep pace with strong growth in demand, supported by record migration, employment and high homeownership costs.

The scarcity of available units in a context of high inflation led to a record 7.9% increase in average rent (2-bedroom apartments).

The vacancy rate remained low for the most affordable units. Furthermore, available units on the market have significantly higher rents than that of occupied units. This presents a challenge for low-income households looking for housing.

Demand for rental condominiums also outpaced supply. The vacancy rate on this market fell from 2% to 1.3% as a result.

## Vacant units are relatively scarce across the metropolitan area, with the overall vacancy rate reaching 1.5%

The rental market has continued to tighten over the past year in Greater Montréal. After declining from 3% in 2021 to 2% in 2022, the overall vacancy rate was 1.5% in 2023 (Table 1.1.1)—one of the lowest rates seen in 20 years.

Vacant units are relatively rare across the area, both on the Island of Montréal and in the suburbs (Table 1). Several areas on the Island of Montréal saw a temporary drop in rental demand during the pandemic. Their vacancy rate has changed course and now is at historically low levels.

The exception is Downtown Montréal, where the vacancy rate remained slightly above average (3.2%), although the downward trend still applies.

**Table 1 Apartment vacancy rate (%) is down in several of Montréal's central zones**

| Zones | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| Downtown Montréal/Île-des-Sœurs | 2.6 | 10.2 | 6.3 | 4.3 | 3.2 |
| Notre-Dame-de-Grâce/Côte-Saint-Luc | 2.5 | 3.1 | 5.2 | 3.1 | 1.9 |
| Côte-des-Neiges/Mont-Royal/Outremont | 1.7 | 4.7 | 4.8 | 3.3 | 1.4 |
| Plateau-Mont-Royal | ** | 4.3 | ** | 1.7 | 0.6 |
| **Island of Montréal** | **1.6** | **3.2** | **3.7** | **2.3** | **1.6** |
| Suburbs (Laval, North Shore, South Shore) | 1.2 | 1.2 | 1.1 | 1.3 | 1.2 |
| **Montréal CMA** | **1.5** | **2.7** | **3.0** | **2.0** | **1.5** |

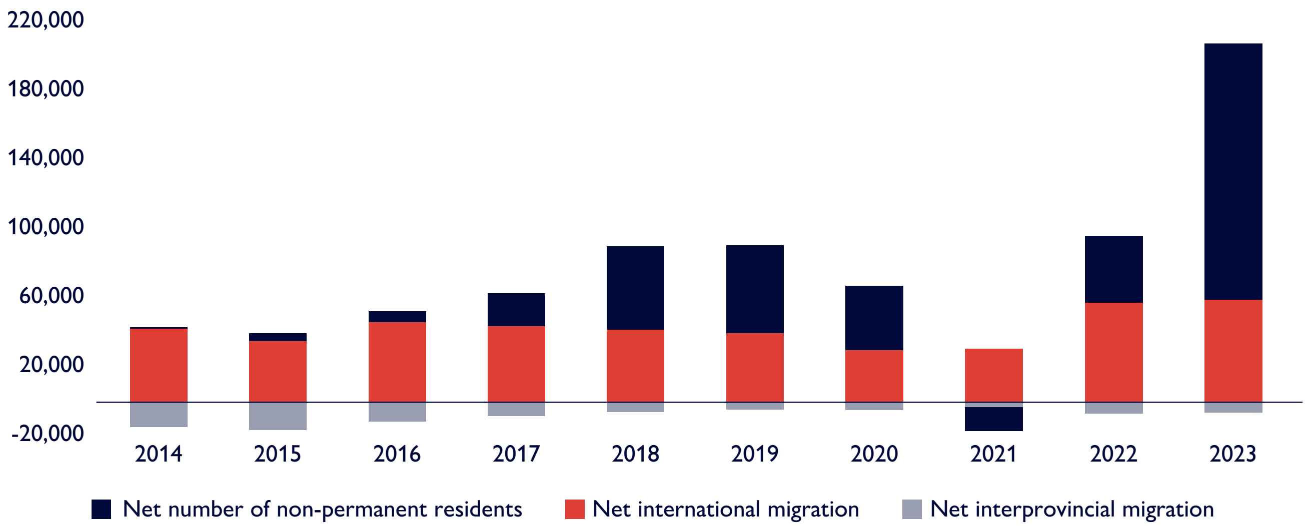
**Data suppressed to protect confidentiality or data not statistically reliable.
Source: CMHC

## Record migration, employment and high homeownership costs supported rental demand

Strong demand for rental housing in Greater Montréal is largely attributed to population growth. Net migration to Québec more than doubled in 2023 (Figure 1) with the arrival of a record number of non-permanent residents (net of nearly 150,000 new residents).

The metropolitan area attracts the largest share of non-permanent residents in the province—namely international students, temporary workers and asylum seekers—most of whom rent. Migration's solid post-pandemic recovery therefore contributed to the strong rebound in rental demand in the area.

### Figure 1 Record growth in net migration* for Québec in 2023




*From July of the previous year to June of the current year.
Source: Statistics Canada

In addition, despite a slight rise in unemployment at the end of 2023, the labour market remained dynamic in Montréal, particularly for young people. In the year preceding October 2023, employment increased by 2.7% among people aged 15 to 24. Employment prospects favour the formation of young households, the majority of which are also renters.

Moreover, the sharp rise in interest rates and high property prices likely continued to limit young people's access to homeownership. Many potential buyers are renting for longer than they would have liked, which inflates demand on the rental market.

Lastly, the aging of the population is also contributing to the growth in demand. Aging households transition to the rental market every year. Although limited, this phenomenon is somewhat more prevalent in Montréal than in other major Canadian cities (see the *Housing Market Insight report, November 2023*[1]).

## Rental market supply is struggling to keep up with demand

Rental housing supply has not kept pace with demand. However, there were a record number of housing starts in 2021 and 2022 in the metropolitan area, and many of these units were completed in 2023 (more than 16,000 units). This notable increase in supply across the area certainly helped cushion the decline in vacancy rates in some sectors, but was not enough overall to ease pressure on the market.

This situation is particularly concerning given that supply growth is expected to slow in 2024. In recent months, fewer projects have been started due to rising construction and financing costs.

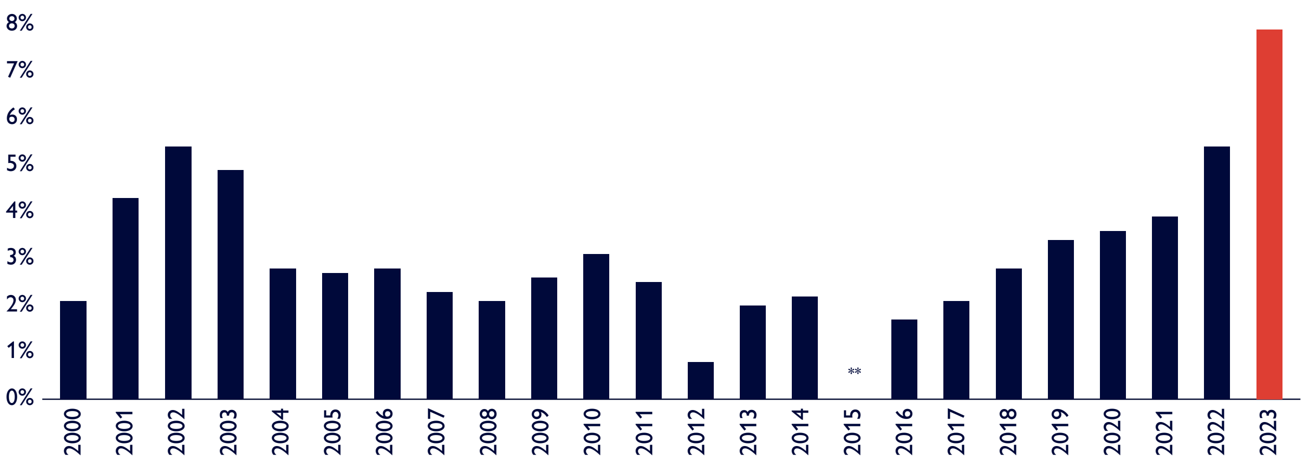
[1] https://www.cmhc-schl.gc.ca/blog/2023/understanding-impact-senior-households-canada-housing-market

## A record increase in rents

Tight market conditions in a context of general inflation led to the largest rent increase in Montréal in at least 30 years. In 2023, the average rent for a 2-bedroom apartment increased by 7.9% compared to 2022 (Figure 2 and Table 1.1.5). It is now $1,096 (Table 1.1.2).

Therefore, rents increased faster than the average wage in the area (4.5%) and rental market affordability continued to erode as a result. This context poses a challenge for lower-income households which are already likely to spend a significant portion of their income on rent.

**Figure 2 Record-breaking growth in the average rent for the Montréal area in 2023 (2-bedroom apartments)**




**Data suppressed to protect confidentiality or data not statistically reliable.
Source: CMHC

A significant gap was also observed between:

- the average rent for a 2-bedroom apartment that turned over to new tenants in 2023 ($1,310);
- and that of units that did not turn over ($1,052).

The reality is that when a unit is vacated by its tenants, the owner can adjust the rent based on that of comparable units available on the market. The owner may also have made repairs to or renovated the unit.

The scarcity of available units and their higher-than-average rents are a challenge for new households and for those who want or need to move. Less than 10% of units turned over to new tenants in 2023 in Montréal, the lowest level of mobility observed in recent years (Table 1.2.3). In comparison, the tenant turnover rate in the years prior to the pandemic was around 17% (2016 to 2019).

## The market is particularly tight for units with the least expensive rents

The vacancy rate is particularly low for units with the lowest rents. For example, only about 1% of units renting for less than $1,075 were vacant in October 2023 (Table 3.1.8).

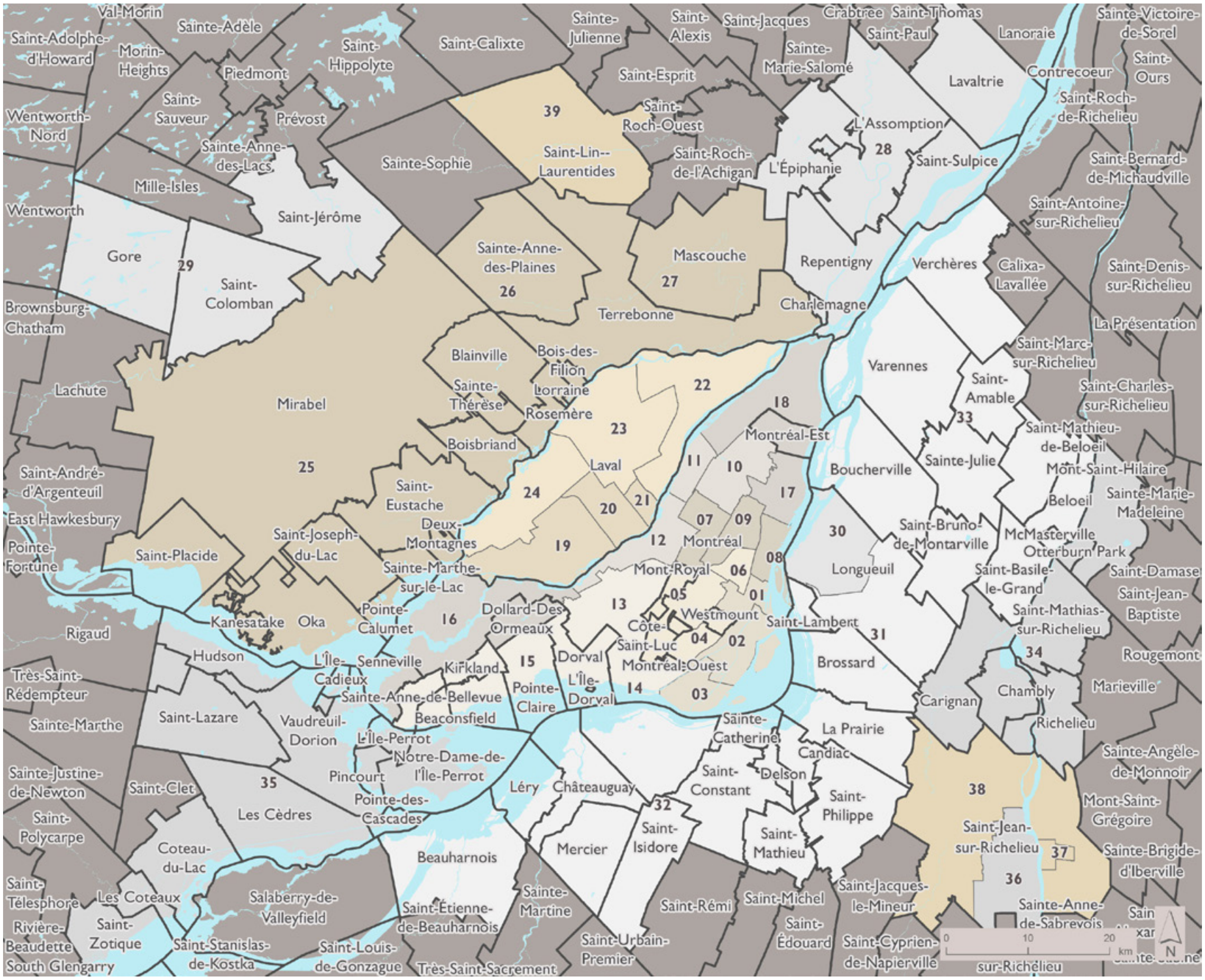
The scarcity of units continues to make it more difficult for lower-income households to find housing in the most affordable segments of the market.

## The rental condominium vacancy rate is also declining

Another sign of strong rental demand in the area is that the vacancy rate for rental condominiums also fell in 2023. It reached 1.3%, a level similar to that of the purpose-built rental market (Table 4.1.1).

About 20% of condominium apartments in Greater Montréal are available for long-term rental, which represents more than 45,000 units (Table 4.3.1). This supply increased very little in 2023.

Demand on the rental condominium apartment market continued to put upward pressure on rents. The average rent for a 2-bedroom condominium increased from $1,517 in 2022 to $1,642 in 2023 (Table 4.1.2).




## 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** |
| **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** |
| **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** |
| **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, 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** |

# Québec

## PURPOSE-BUILT RENTAL MARKET

Vacancy Rate

0.9%

Average Two-Bedroom Rent

$1,040

UP by 4.8%

## CONDOMINIUM APARTMENT MARKET

Vacancy Rate

0.9%

Average Two-Bedroom Rent

$1,317

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.

## HIGHLIGHTS

A record number of purpose-built rental units were added to the market in 2023, but demand was strong. The vacancy rate fell to 0.9% as a result, the lowest level observed in 15 years.

The vacancy rate was close to 1.0% for rent ranges below $1,575. The scarcity of the least expensive units makes the situation difficult for lower-income households.

Rent growth in the Québec area was 4.8% in 2023, a level not seen since at least 1990.

The vacancy rate for rental condominiums in Québec's central areas was 0.6% in 2023.

## The vacancy rate reached a 15-year low

The vacancy rate for 2023 was 0.9% in the Québec census metropolitan area (CMA), a low level not seen in about 15 years.

## Few units were available in the most outlying suburbs

The vacancy rate was low across the CMA in 2023. However, the suburbs had the smallest proportion of available units.

- Vacancy rates were close to 0% in the sectors of Saint-Augustin–Cap-Rouge (0.0%) and La Haute-Saint-Charles (0.3%).
  - For 2-bedroom units in the Northern Surrounding Area, the rate remained at 0.0%.
- On the South Shore, the vacancy rate hit 0.8%.

Even in the Sainte-Foy sector, where the vacancy rate reached nearly 5.0% during the pandemic, the rate now stands at just 0.5%.

## Few units were available in 2023 in the least expensive rent ranges

Vacancy rates were low across the Québec area. However, the lowest rent ranges had the lowest vacancy rates (Table 1).

The limited availability of units in the lower rent ranges makes the situation difficult for lower-income households.

### Table 1 Vacancy rate for all units by monthly rent range

| Monthly rent range | Vacancy rate (%) |
|---|---|
| $749 or less | 1.1 |
| $750 to $1,249 | 0.4 |
| $1,250 to $1,574 | 1.2 |
| $1,575 to $2,224 | 2.9 |
| $2,225 or more | 4.9 |

Source: CMHC

## Strong migration and a slowdown in the movement to homeownership have increased rental demand

The arrival of immigrants and non-permanent residents to the province reached a new record in 2023. The Québec area is becoming home to more and more of these migrants. Given that most of these newcomers rent on arrival, the influx strengthens rental demand in the CMA.

In terms of the movement to homeownership, the rising prices of recent years and high mortgage rates have prompted young households to delay buying a home.

In fact, in the last census, the share of young households who were renters reached a 15-year high of more than 65%.

Furthermore, youth employment in the CMA remains dynamic, which encourages the creation of new households that tend to rent. The unemployment rate for young people aged 15 to 24 remained stable at 4% between October 2022 and October 2023.

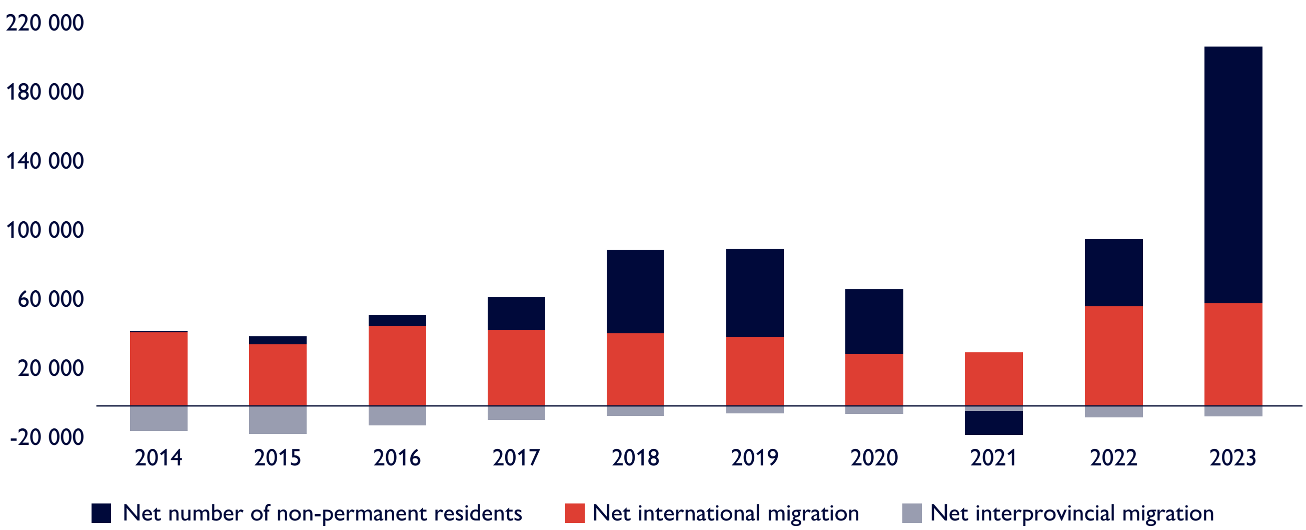
Together, these various factors drove rental demand in 2023.

## Significant increase in supply not enough to meet demand

The number of new rental units grew by more than 4,800 in 2023, which is a record.

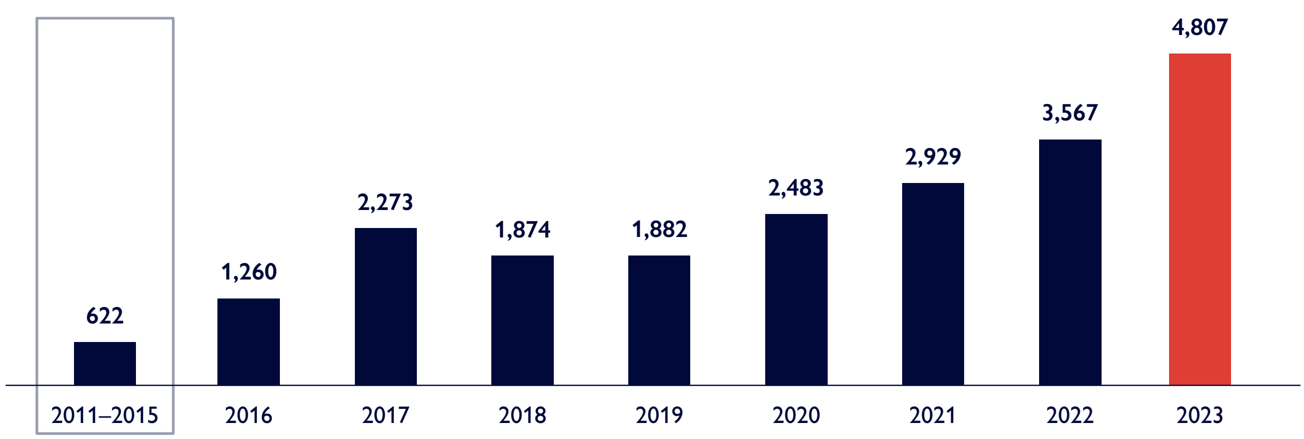
Despite this, supply is unable to meet the growing demand for purpose-built rental apartments. The vacancy rate fell below 1% this year as a result.

**Figure 1** **Record growth in net migration* for Québec in 2023**




*From July of the previous year to June of the current year.
Source: Statistics Canada

**Figure 2** **Record increase in the CMA's purpose-built rental supply between July 2022 and June 2023**




Data from July to June, for example, from July 2022 to June 2023 for the 2023 period.
Source: CMHC

## Rent increase reached a historically high level in the CMA

In 2023, rent grew by 4.8%, its highest level since 1990. Average rents were as follows:

- $1,128 for units that turned over to new tenants;
- $1,009 for units with renewed leases.

The tenant turnover rate for the area decreased to 15% in 2023 compared to 22% in 2022. Given the scarcity of available units, households are less inclined to move.

## Few rental condominiums were available

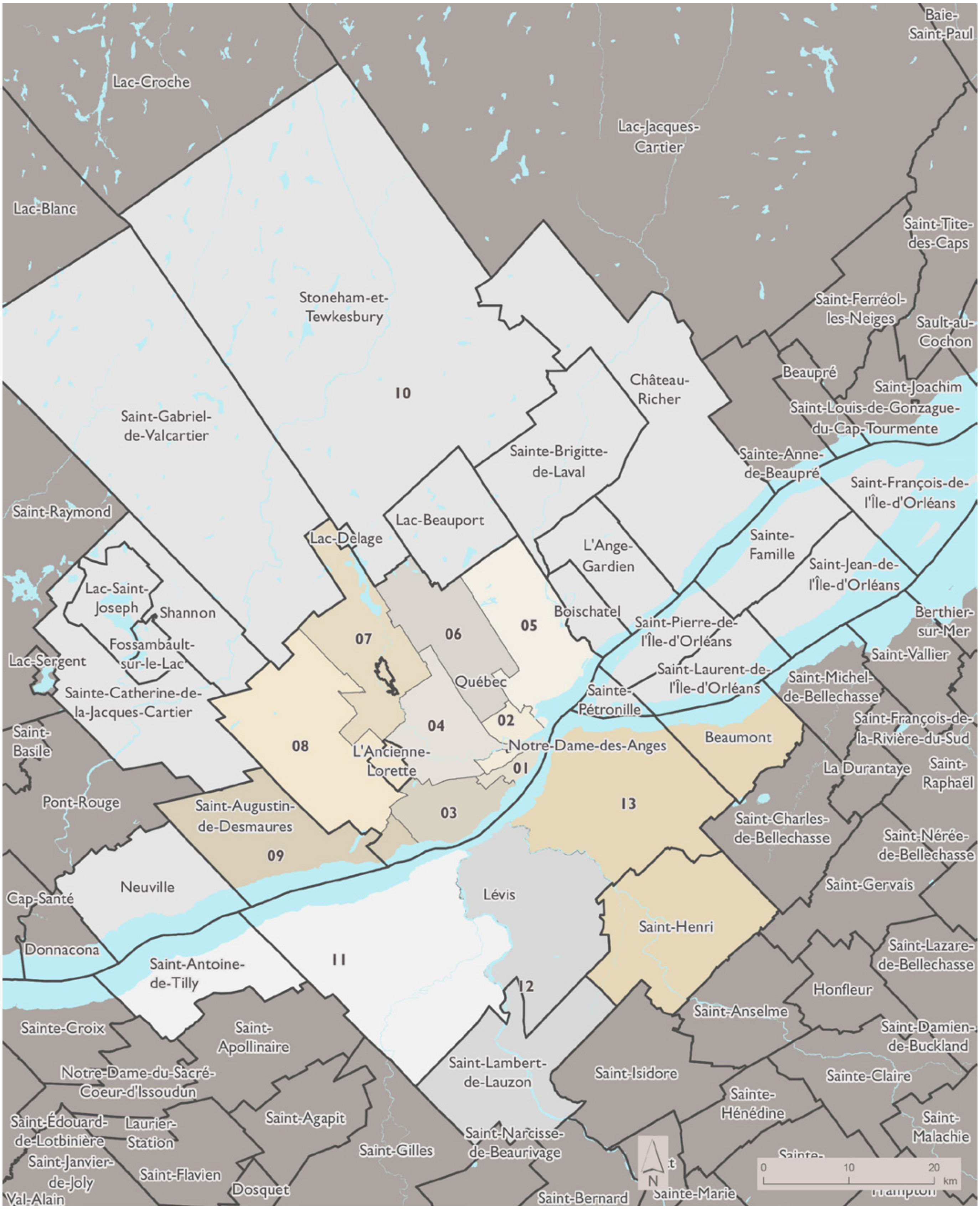
The vacancy rate for rental condominiums in Québec's central areas was 0.6% in 2023. This is where most of the CMA's rental condominiums are located.

Like purpose-built rental apartments, demand for rental condominiums remains strong. On the supply side, the number of rental units decreased.

Rising demand and declining supply mean that the number of vacant units is low in the area.

Finally, in 2023, there was a rent gap of approximately $300 between 2-bedroom rental condominiums and 2-bedroom rental apartments. More specifically, average rents were as follows:

- $1,317 for rental condominiums;
- $1,040 for purpose-built rental apartments.


Baie-Saint-Paul
Lac-Croche
Lac-Jacques-Cartier
Lac-Blanc
Saint-Tite-des-Caps
Stoneham-et-Tewkesbury
Saint-Ferréol-les-Neiges
Sault-au-Cochon
Beaupré
Saint-Joachim
10
Château-Richer
Saint-Louis-de-Gonzague-du-Cap-Tourmente
Saint-Gabriel-de-Valcartier
Sainte-Brigitte-de-Laval
Sainte-Anne-de-Beaupré
Saint-François-de-l'Île-d'Orléans
Saint-Raymond
Lac-Beauport
Lac-Delage
Sainte-Famille
L'Ange-Gardien
Saint-Jean-de-l'Île-d'Orléans
Lac-Saint-Joseph
Shannon
Boischatel
Berthier-sur-Mer
07
06
05
Saint-Pierre-de-l'Île-d'Orléans
Fossambault-sur-le-Lac
Saint-Vallier
Lac-Sergent
Saint-Laurent-de-l'Île-d'Orléans
Québec
Saint-Michel-de-Bellechasse
Sainte-Catherine-de-la-Jacques-Cartier
Sainte-Pétronille
02
04
Saint-François-de-la-Rivière-du-Sud
Saint-Basile
08
Beaumont
L'Ancienne-Lorette
Notre-Dame-des-Anges
01
La Durantaye
Saint-Raphaël
Pont-Rouge
Saint-Augustin-de-Desmaures
13
03
Saint-Charles-de-Bellechasse
Saint-Nérée-de-Bellechasse
09
Neuville
Lévis
Saint-Gervais
Cap-Santé
Saint-Henri
Donnacona
Saint-Lazare-de-Bellechasse
Saint-Antoine-de-Tilly
11
12
Honfleur
Saint-Anselme
Sainte-Croix
Saint-Apollinaire
Saint-Damien-de-Buckland
Saint-Lambert-de-Lauzon
Notre-Dame-du-Sacré-Coeur-d'Issoudun
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
20
km
Dosquet
Sainte-Marie
Saint-Bernard
Val-Alain

## 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** |

# Halifax

## PURPOSE-BUILT RENTAL MARKET

| Vacancy Rate | Average Two-Bedroom Rent |
|---|---|
| 1.0% | $1,628 |
| | UP by 11% |

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.

# HIGHLIGHTS

The vacancy rate was unchanged at 1%, despite a record number of rental completions made in response to increased demand.

The turnover rate dropped to its lowest level in the last 6 years, showing tenants' reduced tendency to move.

The overall same-sample average rent increase of 11.9% was the highest single-year increase and 4 times above the average historical growth rate.

Rental affordability continued to deteriorate for low-income households.

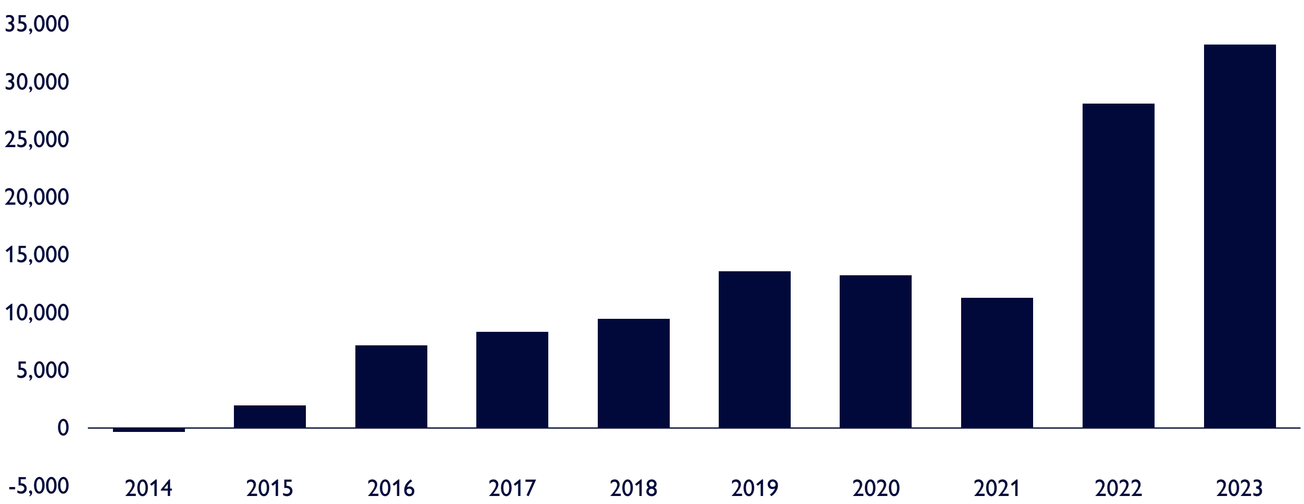
## Vacancy rate remained very low, average rent up again in 2023

The vacancy rate for the Halifax CMA, which now includes zone 11 East Hants Municipal district (MD), was 1% in 2023, unchanged from the previous year (Table 1.1.1). This marks the third straight year in which the vacancy rate has been 1%, and it has been under 2% since 2017. The overall average rent was $1,532, up from $1,347 in 2022 (Table 1.1.2).

## Rental demand supported by strong population growth and homebuying challenges

Record numbers of people called the Halifax CMA home in 2023. The region receives the majority of migrants to Nova Scotia. In fact, net migration increased at a record pace over the 12 months ending June 30, 2023, reaching 33,249 people (the figure was 28,109 for the previous period) (Figure 1). This translated into Nova Scotia's population increasing by a record high 3.2%. Non-permanent residents and immigrants were the biggest contributors to this growth. Many immigrants and international students are typically renters.

**Figure 1 Record July–June net migration for Nova Scotia**




Source: Statistics Canada

Rental demand also came from existing renter households who've been unable to transition to homeownership. As in 2022, it's likely that fewer renter households became homeowners in 2023. This is because finding affordable options on the housing market remained challenging or even impossible due to historically high house prices and mortgage rates.

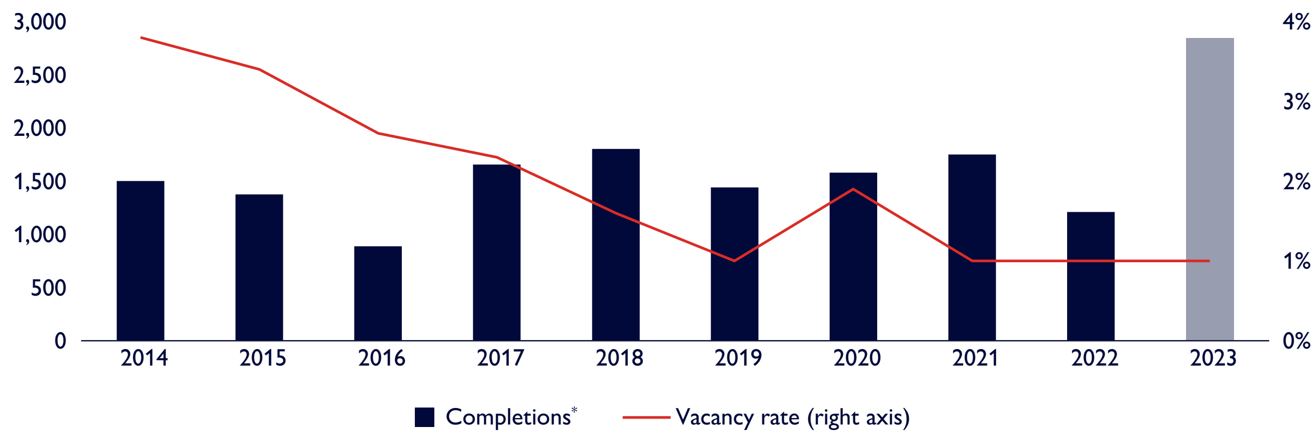
The reduced mobility between renting and homeownership in 2023 was also evidenced by:

- a lower overall average turnover rate of 10.5% (versus 11.1% in 2022) (Table 1.1.6); and
- a 20% lower volume of home sales throughout the year.

## Record rental completions not enough to ease rental market pressure

The Halifax CMA rental universe has expanded notably in recent years because of increased construction completion activity. There were a record-high 2,842 completions from July 2022 to June 2023 (Figure 2). Low vacancy rates, record population growth and government financing programs have helped developers in recent years.

**Figure 2 Vacancy rate and rental completions Halifax CMA**




*Rental units completed between Rental Market Surveys. This period includes July of previous year to June of current survey year.
Source: CMHC

Recent government initiatives, including rebating the HST on new rental construction projects and greater investments in affordable housing, could help reduce the rental supply deficit. Market intelligence gathered suggests one of the biggest obstacles to closing this gap is labour shortages within the construction industry. In 2023, the construction job vacancy rate in Nova Scotia was almost 8%, which is well above most other industries.

## Rent growth accelerated to record level

More rental supply is crucial to address persistent low vacancy rates and rising rents, despite current record construction.

Growth in the average rent of a 2-bedroom apartment in structures common to the 2022 and 2023 rental market surveys (same-sample rent growth) was 11% (Table 1.1.5), pushing the average rent to $1,628 (Table 1.1.2).

There was also a significant difference between the rent paid by new tenants and that paid by existing tenants. The average rent for units that turned over to a new tenant (turnover units) was $1,705. For units with existing tenants (non-turnover units), the average rent was $1,590 (Canada Table 6).

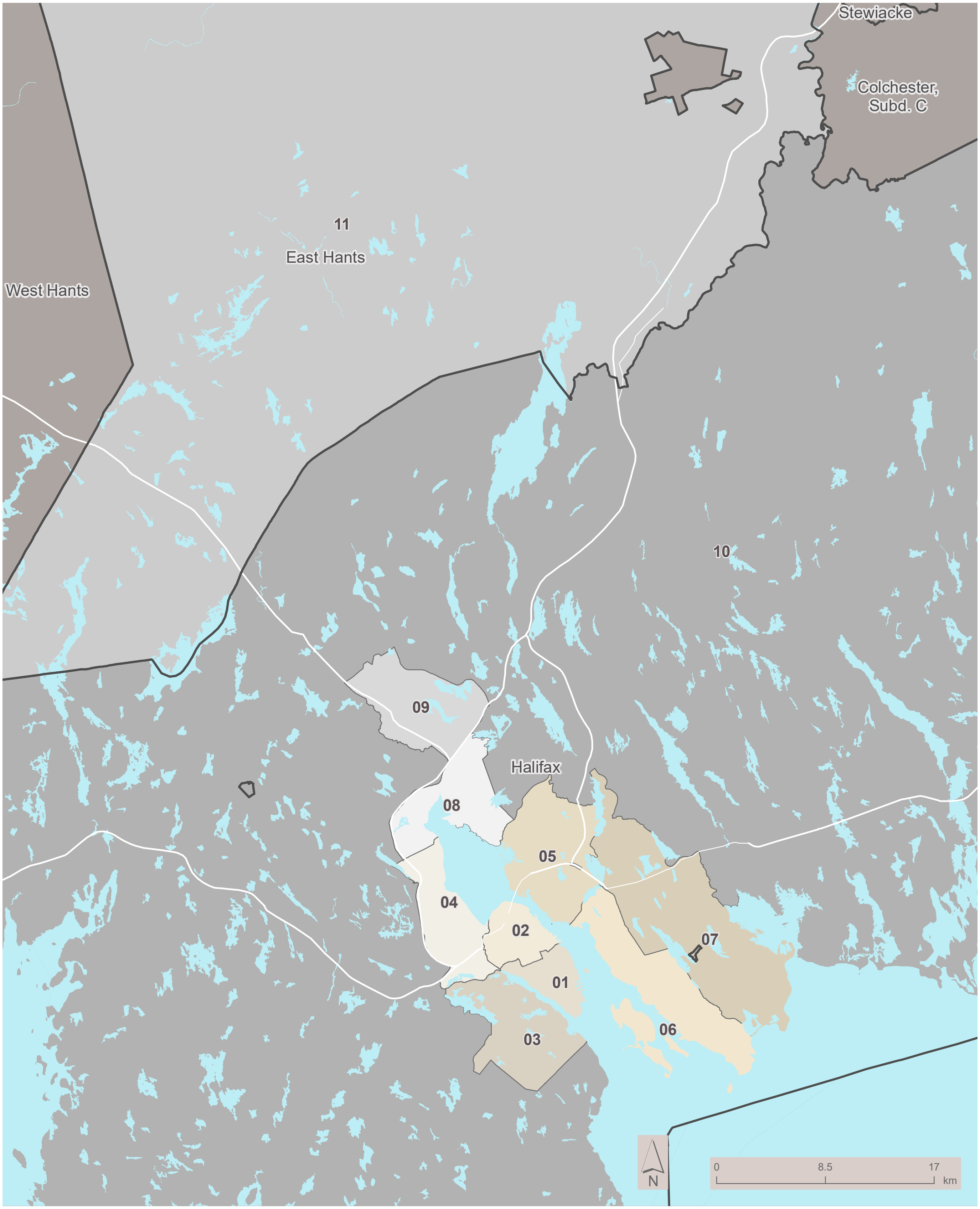
Growth in average rent was highest in Zone 2 — Peninsula North, at 13.9% (Table 1.1.5), pushing the average rent to $1,491 (Table 1.1.2). The highest average rent, meanwhile, was $1,922, in Zone 10 — Remainder of CMA. Growth in average rent was lowest in Zone 6 — Dartmouth South, at 4%, while the lowest average rent was in Zone 11 — East Hants MD, at $1,143.

Beyond usual market dynamics and renovations, landlords have faced extraordinary increases in operating expenses, and have passed them on to new tenants through higher rents. The prospect of higher rents at turnover has likely discouraged tenant mobility within the Halifax CMA rental market. Existing tenants encounter challenges when they must relocate due to lifestyle changes. This could lead to long-term housing inefficiencies.

## Finding affordable rental options remains a challenge for low-income households

According to CMHC's calculations (Table 3.1.8), 2.4% of the rental universe had rents within the 30%-of-monthly-income threshold for the lowest-earning households (yearly income less than $30,000). This is a decrease from 2022, when the figure was 3%.

Surprisingly, some lower-priced units had higher vacancy rates compared to higher-priced ones. Units with a rent range of $750 to $1,224 had a vacancy rate of 1.2%. Units with a rent range of $2,725 and over, meanwhile, had a vacancy rate of 0.9% (Table 3.1.8). It's possible that the quality of some rental units is declining, leading to increased demand for better-maintained, higher-priced units. Units with a rent range of $850 to $949 had the lowest vacancy rate: 0.4% (Table 1.4).


Stewiacke
Colchester, Subd. C
11
East Hants
West Hants
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N
0
8.5
17
km

## 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** |
| **Zone 5** | **Dartmouth North** is the part of Dartmouth north of Ochterloney Street, Lake Banook and Micmac Lake. |
| **Zone 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. |
| **Zone 11** | **East Hants MD** |
| **Zones 1 – 11** | **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. In the report this is often referred to as same sample rent growth.

## Methodology for Rental Market Survey

CMHC conducts the annual Rental Market Survey 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 or more. It targets only privately initiated structures with at least 3 rental units, which have been on the market for at least 3 months.

The survey collects market rent levels, turnover and vacancy unit data for all sampled structures. Data is collected using a combination of telephone interviews and site visits. Information is obtained from the:

- owner
- manager, or
- building superintendent

The survey is conducted during the first 2 weeks of October and the results reflect market conditions at that time.

CMHC's Rental Market Survey provides a snapshot of vacancy and turnover rates and average rents in both new and existing structures. The survey also provides a number of measures for average rent and change in rent, as follows:

**Average rent:** This represents rent levels in both new and existing structures. This is a weighted average of all units combined, whether vacant or occupied.

**Average rent of occupied units:** This represents rent levels in both new and existing structures for units which the respondent **has not** identified as vacant (see below definition of vacant).

**Average rent of vacant units:** This represents rent levels in both new and existing structures for units which the respondent **has identified** as vacant. This is also referred to as "asking" rent, that is, the rent the owner or property manager is asking for the unit.

**Average rent of turnover units:** This represents rent levels in both new and existing structures where the respondent has identified units which have turned over in the past 12 months (see below definition of turnover).

**Average rent of non-turnover units:** This represents rent levels in both new and existing structures for all remaining units which have not turned over in the past 12 months.

**Percentage change (%) in average rent:** This provides an estimate of rent level movement by eliminating the compositional effects of new structures, conversions and survey sample rotation. The estimate is based on existing rental structures that were common to the survey sample for both the previous year and the current Rental Market Survey year. It is important to note that some compositional effects can remain due to instances such as when an existing rental unit is renovated/upgraded or there is turnover of the rental unit. The estimated percentage change in average rent is only published if this estimate is statistically different than zero (0) as determined by a statistical test of significance. Rent levels in new and existing structures are also published; however, changes in rents that may be calculated based on new and existing structures may not have the same significance.

## Revisions to the Rental Market Survey (RMS) universe

The Rental Market Survey (RMS) universe was revised in 2023 to provide a more precise count of the stock of purpose-built rental units. This led to the removal of some dwellings from the RMS. The effect of this revision on the universe was minimal.

However, the revision, combined with the other usual causes for universe removal (discussed below), offset the impact of higher completions of new units in some centres. This was most evident in markets in Ontario. Please see the CMA reports for more detailed discussion of local rental supply and construction trends.

### Reasons for the removal of dwellings from the RMS universe

It's possible for the universe of rental units to decline between Rental Market Survey periods if removals outnumber additions. This can occur even in periods with heightened rental-tenure construction. A number of reasons explain rental buildings being permanently or temporarily removed. Common reasons are:

- Extensive renovation where a rental building is largely vacated and temporarily out of operation
- Conversion to non-rental tenure, such as freehold ownership or condominium tenure, or conversion to non-residential use
- Fire or other major damage or environmental degradation that makes the building uninhabitable
- Demolition
- Alignment of CMHC survey frames as explained below

### RMS universe revisions reflect our commitment to improving our data collection and understanding of rental markets

It's important to note that not all existing or new rental-tenure units are exclusively designated for the private, purpose-built rental market that's covered by our Rental Market Survey (RMS). Rental tenure can also occur in units intended for ownership (particularly condominiums) or life lease tenure, in seniors' housing, or in social and affordable housing. To enhance the coverage of rental housing, CMHC has, over the years, introduced surveys of both the secondary rental market and social and affordable rental housing. (The one covering social and affordable housing is our newest survey.)

We continually work to align our survey frames with their unique coverage and goals in order to ensure comprehensive and accurate data collection across the rental spectrum. This includes efforts to eliminate duplication between these surveys and ensure proper categorization of surveyed buildings. As a result, some building addresses can be removed from our RMS, since they're not considered to be part of the private, purpose-built rental market.

## Methodology for Condominium Apartment Survey

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 a statistic if its reliability is too low or if publication of a statistic would violate confidentiality rules.

Unit counts (universe) are released as these are not estimates. However, for confidentiality, all other estimates — such as vacancy rates and average rent — are released only if a given estimate is based on 4 or more responding entities.

For reliability, the ability to publish an estimate is determined by the coefficient of variation (CV) for that estimate. A letter code representing the statistical reliability (for example, the CV) for each estimate is provided to indicate the data reliability. The CV of an estimate is defined as the ratio of the standard error of the estimate to the estimate itself and the CV is generally expressed a percentage. For example, let the average rent for one-bedroom apartments in each CMA be $\bar{x}$ and its standard error be $\sigma\bar{x}$. Then the Coefficient of Variation is given by $CV = \sigma\bar{x}/\bar{x}$.

## Reliability Codes for Proportions

CMHC uses the coefficient of variation, sampling fraction and universe size to determine the ability to publish proportions. The following letter codes are used to indicate the level of reliability of proportions:

A — Excellent

B — Very good

C — Good

D — Poor (Use with Caution)

** — Data Suppressed

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** | ** | ** | ** | ** | ** |
| **11 – 20** | ** | Poor | Poor | Poor | Good |
| **21 – 40** | ** | Poor | Poor | Good | Very Good |
| **41 – 80** | ** | Poor | Good | Good | Very Good |
| **81+** | ** | 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 | Very Good | Very Good |
| **(0.75,1.5]** | Excellent | Excellent | Excellent | Excellent | Excellent | Poor | ** |
| **(1.5,3]** | Excellent | Excellent | Excellent | Very Good | Good | ** | ** |
| **(3,6]** | Excellent | Excellent | Very Good | Good | Poor | ** | ** |
| **(6,10]** | Excellent | Excellent | Very Good | Good | ** | ** | ** |
| **(10,15]** | Excellent | Excellent | Good | Poor | ** | ** | ** |
| **(15,30]** | Excellent | Excellent | Poor | ** | ** | ** | ** |
| **(30,100]** | Excellent | Excellent | ** | ** | ** | ** | ** |

### Reliability Codes for Averages and Totals

CMHC uses the the coefficient of variation to determine the reliability level of the estimates of average rents and a coefficient of variation 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 (the coefficient of variations 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 **Poor**.

** — If the CV is greater than 10 then the estimate is suppressed and not published.

### Other symbols

Other denotations used in presenting Rental Market Survey data:

**++** refers to a change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0). This applies only to "Estimate of Percent Change of Average Rent" tables.

**—** means that no units exist in the universe for this category

**n/a** means not applicable/not available

### 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

**Universe:** This consists of all row projects and apartment structures with three or more units. The universe is presented as a sum of all rental units.

**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, side-by-side, with common walls dividing each rental unit. 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. Available for immediate rental means a new lease has not been signed or the unit is not undergoing major renovations.

**Turnover:** A unit is counted as being turned over if it was occupied by a new tenant who moved in during the past 12 months. A unit can be counted as being turned over more than once in a 12-month period.

**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 or hot water (i.e., utilities such as heating, electricity and hot water may or may not be included in the rent. For available and vacant units, the rent is the amount the owner is asking for the unit. The average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector.

**Rental arrears:** A unit is in arrears if the tenant is late paying rent by one month or more. The total dollar amount is a weighted estimate of the total dollar value amount in rent in arrears as of the end of September for the given Rental Market Survey year. Similarly, the number of units in arrears is a weighted estimate of the total units which are late paying rent. This data is reported by CMHC at the CMA level — with the exception of Charlottetown CA — and for all centres 10,000+ combined. Data is aggregated for all bedroom types combined.

**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 2022 and October 2023 data is based on Statistics Canada's 2021 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, provincial and municipal governments throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information and administrative data. As a result of their contribution, CMHC is able to provide information that benefits the entire housing industry.

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# Alternative text and data for figures

## Canada

### Figure 1: Vacancy rates (%) declined in most of Canada's larger rental markets

| Rental market | Vacancy rate, all bedroom types (%) Oct. 2022 | Oct. 2023 |
|---|---|---|
| Vancouver* | 0.9% | 0.9% |
| Edmonton | 4.3% | 2.4% |
| Calgary | 2.7% | 1.4% |
| Toronto | 1.6% | 1.4% |
| Ottawa* | 2.1% | 2.1% |
| Montréal | 2.0% | 1.5% |
| CANADA | 1.9% | 1.5% |

*Change in 2023 vacancy rate is not statistically significant. This means that the change from 2022 to 2023 isn't statistically different than zero (0).

"CANADA" includes all centres with at least 10,000 inhabitants.

Vacancy rate for privately initiated purpose-built rental apartments (3+ units).

Source: CMHC

### Figure 2: Supply grew in most markets, but not enough to prevent tightening

| Rental market | Change (%) in Rental Apartment Universe, Oct. 2022 to Oct. 2023* |
|---|---|
| Vancouver | 2.7% |
| Edmonton | 3.7% |
| Calgary | 6.2% |
| Toronto | -0.5% |
| Ottawa | 0.6% |
| Montréal | 1.8% |
| CANADA | 1.7% |

*Change in the survey universe of privately initiated purpose-built rental apartment universe between October 2022 and October 2023.

Note: Revisions to the Rental Market Survey (RMS) universe may lead to the removal of some dwellings and impact the overall change in the universe. See the Methodological Appendix at page 119 for more details.

Source: CMHC

### Figure 3: Rent growth accelerated markedly in most of Canada's larger markets

| Rental market | Purpose-built rental apartments Change of Average Rent, 2-bedroom apartments (%) Oct. 2022 | Oct. 2023 |
|---|---|---|
| Vancouver | 5.7% | 8.6% |
| Edmonton | 1.6% | 6.4% |
| Calgary | 6.0% | 14.3% |
| Toronto | 6.5% | 8.8% |
| Ottawa | 4.8% | 4.0% |
| Montréal | 5.4% | 7.9% |
| CANADA | 5.6% | 8.0% |

"CANADA" includes all centres with at least 10,000 inhabitants.

Rent growth in 2023 measured for 2-bedroom units in privately initiated apartment structures of three or more units common to both the 2022 and 2023 surveys

Source: CMHC

## Vancouver

### Figure 1: Difference between carrying cost of an average apartment sold in each year and average rent

| Year | Bachelor | 1 Bed | 2 Bed | 3+ Bed |
|---|---|---|---|---|
| 2012 | $425.07 | $529.81 | $891.59 | $2,390.87 |
| 2013 | $359.06 | $521.75 | $906.12 | $2,595.19 |
| 2014 | $367.76 | $496.44 | $945.21 | $2,548.68 |
| 2015 | $361.22 | $490.99 | $888.23 | $2,270.48 |
| 2016 | $445.67 | $518.61 | $962.84 | $3,044.41 |
| 2017 | $635.30 | $754.57 | $1,229.44 | $2,962.60 |
| 2018 | $794.15 | $994.21 | $1,586.61 | $3,633.18 |
| 2019 | $523.54 | $758.21 | $1,159.89 | $2,601.74 |
| 2020 | $433.95 | $670.86 | $1,032.21 | $2,519.41 |
| 2021 | $502.56 | $791.86 | $1,192.75 | $2,128.08 |
| 2022 | $978.57 | $1,404.07 | $2,096.52 | $3,962.04 |
| 2023 | $1,050.30 | $1,488.15 | $2,212.74 | $4,004.09 |

Note: Assuming a 20% down payment, 25-year amortization, 5-year discounted fixed mortgage rate. Figure includes strata fees, taxes and average prices for condominiums sold in each year.

Source: CMHC, GVREB, FVREB, Ratehub

**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 |
| 2023 | 3,768 | 2,561 | 6,329 |

Source: CMHC

# Victoria

**Figure 1: Full-time employment grew sharply as net migration hit record levels**

| Period | Net interprovincial migration (LHS) | Net international migration (LHS) | Victoria CMA full-time employment, 3-month moving average (thousands) (RHS) |
|---|---|---|---|
| 2021 Q1 | 6,992 | 12,296 | 159.8 |
| 2021 Q2 | 11,467 | 13,708 | 163.7 |
| 2021 Q3 | 7,878 | 31,981 | 162.2 |
| 2021 Q4 | 4,710 | 15,878 | 162.6 |
| 2022 Q1 | 5,022 | 20,521 | 166.0 |
| 2022 Q2 | 8,459 | 37,829 | 170.1 |
| 2022 Q3 | (5,011) | 52,170 | 168.6 |
| 2022 Q4 | (1,955) | 31,711 | 164.3 |
| 2023 Q1 | (962) | 37,830 | 165.5 |
| 2023 Q2 | (300) | 53,313 | 170.3 |
| 2023 Q3 | | | 185.2 |

Source: Statistics Canada Tables: 14-10-0378-01, 17-10-0020-01, 17-10-0040-01

Figure 2: Rental supply in Langford and Esquimalt is likely to expand quickly in the next 2 years

| Zone | Rental apartment units under construction as a proportion of current universe size |
|---|---|
| Zone 1 — Cook St. Area | 1% |
| Zone 2 — Fort St. Area | 7% |
| Zone 3 — James Bay Area | 7% |
| Zone 4 — Remainder of City | 15% |
| City of Victoria (Zones 1–4) | 9% |
| Zone 5 — Saanich/Central Saanich | 19% |
| Zone 6 — Esquimalt | 22% |
| Zone 7 — Langford/Vw Royal/Colwood/Sooke | 42% |
| Zone 8 — Oak Bay | 1% |
| Zone 9 — North Saanich | 0% |
| Zone 10 — Sidney | 0% |
| Victoria CMA | 15% |

Source: CMHC

## Edmonton

Figure 1: Growth in rental demand resulted in a lower vacancy rate and higher rent growth in 2023

| Year | Vacancy rate (%) | Average rent growth (%) for same-sample 2-bedroom units |
|---|---|---|
| 2003 | 3.4 | 1.9 |
| 2004 | 5.3 | 0.9 |
| 2005 | 4.5 | 0.6 |
| 2006 | 1.2 | 10.7 |
| 2007 | 1.5 | 19.3 |
| 2008 | 2.4 | 8.5 |
| 2009 | 4.5 | -1.5 |
| 2010 | 4.2 | 1.1 |
| 2011 | 3.3 | 0.9 |
| 2012 | 1.7 | 3.7 |
| 2013 | 1.4 | 5.9 |
| 2014 | 1.7 | 6.3 |
| 2015 | 4.2 | 2.2 |
| 2016 | 7.1 | -3.3 |
| 2017 | 7.0 | -1.4 |
| 2018 | 5.3 | 1.3 |
| 2019 | 4.9 | 0.9 |
| 2020 | 7.2 | 0.0 |
| 2021 | 7.3 | -0.2 |
| 2022 | 4.3 | 1.6 |
| 2023 | 2.4 | 6.4 |

Source: CMHC

Figure 2: Households in the lowest income quintile have limited rental options

| Income Quintile | | Share of rental universe | Vacancy rate |
|---|---|---|---|
| Quintile 1 | < $38K | 12.7 | 4.4 |
| Quintile 2 | $38-61K | 78.8 | 1.8 |
| Quintile 3 | $61K-89K | 99.1 | 2.7 |
| Quintile 4 | $89K-121K | 99.5 | 1.8 |
| Quintile 5 | $121K + | 100.0 | 3.8 |

Sources: CMHC, Statistics Canada Census 2016

**Figure 3: Edmonton has highest homebuying repayment affordability for condominiums among the largest CMAs**

| Date | Edmonton | Calgary | Toronto | Vancouver | Montréal | Ottawa |
|---|---|---|---|---|---|---|
| 2000-Q1 | 18.0% | 23.7% | 24.5% | 23.5% | 23.1% | 17.1% |
| 2000-Q2 | 18.0% | 23.6% | 24.4% | 23.8% | 23.4% | 17.2% |
| 2000-Q3 | 17.4% | 22.7% | 23.9% | 23.4% | 23.2% | 17.1% |
| 2000-Q4 | 17.1% | 22.0% | 23.6% | 22.5% | 22.9% | 17.4% |
| 2001-Q1 | 16.6% | 21.0% | 23.1% | 21.2% | 22.3% | 17.7% |
| 2001-Q2 | 16.3% | 20.7% | 23.5% | 21.5% | 22.8% | 18.4% |
| 2001-Q3 | 15.7% | 20.2% | 23.3% | 21.6% | 22.9% | 18.4% |
| 2001-Q4 | 15.3% | 19.4% | 22.8% | 21.0% | 22.4% | 17.9% |
| 2002-Q1 | 16.1% | 19.8% | 23.3% | 21.6% | 22.7% | 18.3% |
| 2002-Q2 | 17.1% | 20.8% | 24.4% | 23.0% | 24.0% | 19.6% |
| 2002-Q3 | 17.1% | 20.6% | 23.9% | 22.8% | 24.5% | 19.8% |
| 2002-Q4 | 17.0% | 20.3% | 23.3% | 22.5% | 24.7% | 19.7% |
| 2003-Q1 | 17.6% | 20.7% | 23.5% | 22.7% | 25.1% | 20.4% |
| 2003-Q2 | 17.5% | 20.1% | 23.2% | 22.7% | 25.7% | 20.4% |
| 2003-Q3 | 17.6% | 19.9% | 23.3% | 22.9% | 26.5% | 20.7% |
| 2003-Q4 | 17.7% | 20.1% | 23.6% | 23.5% | 27.3% | 21.0% |
| 2004-Q1 | 16.8% | 19.2% | 22.3% | 23.2% | 26.9% | 20.0% |
| 2004-Q2 | 17.2% | 19.9% | 23.1% | 24.8% | 28.7% | 21.1% |
| 2004-Q3 | 17.1% | 19.8% | 23.3% | 25.1% | 28.7% | 21.2% |
| 2004-Q4 | 17.1% | 19.6% | 22.9% | 24.4% | 28.5% | 20.9% |
| 2005-Q1 | 17.2% | 19.6% | 23.1% | 24.5% | 28.2% | 20.9% |
| 2005-Q2 | 16.9% | 19.6% | 22.8% | 24.9% | 27.8% | 20.7% |
| 2005-Q3 | 16.7% | 19.5% | 22.6% | 24.9% | 27.2% | 20.4% |
| 2005-Q4 | 17.1% | 20.2% | 23.0% | 26.4% | 28.2% | 20.8% |
| 2006-Q1 | 17.8% | 21.8% | 23.3% | 27.2% | 28.2% | 21.1% |
| 2006-Q2 | 18.8% | 24.9% | 23.9% | 28.9% | 29.0% | 21.5% |
| 2006-Q3 | 20.1% | 26.5% | 24.3% | 29.8% | 28.9% | 21.6% |
| 2006-Q4 | 20.7% | 25.7% | 23.6% | 28.8% | 28.4% | 21.1% |
| 2007-Q1 | 22.0% | 26.0% | 23.9% | 29.4% | 28.3% | 21.3% |
| 2007-Q2 | 24.8% | 27.5% | 24.4% | 31.3% | 29.1% | 21.9% |
| 2007-Q3 | 25.7% | 27.9% | 25.0% | 32.9% | 29.8% | 22.4% |
| 2007-Q4 | 24.6% | 27.5% | 25.3% | 33.3% | 30.2% | 22.5% |
| 2008-Q1 | 22.8% | 26.6% | 25.5% | 33.0% | 29.6% | 22.6% |
| 2008-Q2 | 21.7% | 25.5% | 25.0% | 32.0% | 29.4% | 22.5% |
| 2008-Q3 | 20.9% | 24.1% | 24.8% | 30.5% | 29.4% | 22.6% |
| 2008-Q4 | 20.1% | 23.0% | 24.7% | 29.0% | 29.4% | 22.7% |
| 2009-Q1 | 18.2% | 20.3% | 22.7% | 26.0% | 26.8% | 21.5% |
| 2009-Q2 | 17.6% | 19.7% | 23.0% | 26.1% | 26.4% | 21.8% |
| 2009-Q3 | 17.8% | 20.2% | 24.1% | 27.8% | 26.9% | 22.6% |
| 2009-Q4 | 17.8% | 20.1% | 24.4% | 28.7% | 26.9% | 22.7% |

| Date | Edmonton | Calgary | Toronto | Vancouver | Montréal | Ottawa |
|---|---|---|---|---|---|---|
| 2010-Q1 | 18.3% | 20.6% | 24.5% | 29.0% | 26.9% | 22.7% |
| 2010-Q2 | 19.3% | 21.5% | 25.3% | 30.9% | 28.4% | 23.9% |
| 2010-Q3 | 18.8% | 20.8% | 24.4% | 29.6% | 27.7% | 23.2% |
| 2010-Q4 | 18.1% | 20.1% | 23.7% | 28.4% | 27.4% | 22.6% |
| 2011-Q1 | 18.3% | 20.4% | 24.4% | 29.4% | 28.1% | 23.3% |
| 2011-Q2 | 18.1% | 20.0% | 24.8% | 29.5% | 28.1% | 23.2% |
| 2011-Q3 | 17.3% | 19.2% | 24.6% | 28.4% | 27.3% | 22.9% |
| 2011-Q4 | 16.3% | 18.2% | 24.0% | 27.3% | 26.8% | 22.4% |
| 2012-Q1 | 15.8% | 17.9% | 23.5% | 26.8% | 26.3% | 21.6% |
| 2012-Q2 | 15.7% | 17.7% | 23.8% | 26.8% | 25.9% | 21.6% |
| 2012-Q3 | 15.1% | 17.3% | 23.2% | 26.0% | 25.0% | 21.2% |
| 2012-Q4 | 14.8% | 17.1% | 22.9% | 25.4% | 24.8% | 20.9% |
| 2013-Q1 | 15.0% | 17.2% | 23.0% | 24.8% | 24.5% | 20.7% |
| 2013-Q2 | 15.3% | 17.6% | 22.9% | 24.9% | 24.4% | 20.8% |
| 2013-Q3 | 15.8% | 18.6% | 24.1% | 25.9% | 25.0% | 21.5% |
| 2013-Q4 | 16.3% | 19.6% | 25.3% | 26.7% | 25.8% | 22.0% |
| 2014-Q1 | 16.7% | 20.0% | 25.0% | 26.6% | 25.9% | 21.5% |
| 2014-Q2 | 16.8% | 20.2% | 25.1% | 26.6% | 25.7% | 21.1% |
| 2014-Q3 | 16.6% | 19.9% | 24.8% | 26.3% | 25.2% | 20.6% |
| 2014-Q4 | 16.3% | 19.6% | 24.4% | 26.2% | 24.9% | 20.0% |
| 2015-Q1 | 15.9% | 19.1% | 24.0% | 26.1% | 24.5% | 19.3% |
| 2015-Q2 | 15.7% | 18.7% | 24.3% | 26.4% | 24.4% | 19.2% |
| 2015-Q3 | 15.5% | 18.3% | 24.6% | 26.6% | 24.2% | 19.3% |
| 2015-Q4 | 15.3% | 18.1% | 24.7% | 26.6% | 24.0% | 19.3% |
| 2016-Q1 | 15.1% | 18.2% | 25.3% | 27.0% | 23.6% | 19.1% |
| 2016-Q2 | 15.3% | 18.1% | 26.0% | 28.9% | 23.7% | 19.1% |
| 2016-Q3 | 15.4% | 18.0% | 26.7% | 30.2% | 23.6% | 19.1% |
| 2016-Q4 | 15.3% | 17.9% | 27.3% | 30.2% | 23.4% | 18.9% |
| 2017-Q1 | 15.3% | 18.0% | 28.0% | 31.0% | 23.6% | 18.6% |
| 2017-Q2 | 14.1% | 16.5% | 27.9% | 29.9% | 21.9% | 17.4% |
| 2017-Q3 | 14.0% | 16.4% | 28.8% | 31.8% | 22.2% | 17.7% |
| 2017-Q4 | 13.9% | 16.3% | 29.0% | 33.4% | 22.6% | 17.8% |
| 2018-Q1 | 13.9% | 16.5% | 29.7% | 34.9% | 22.8% | 17.7% |
| 2018-Q2 | 14.1% | 16.6% | 30.2% | 35.7% | 23.2% | 17.8% |
| 2018-Q3 | 14.0% | 16.5% | 30.3% | 34.8% | 23.4% | 17.9% |
| 2018-Q4 | 13.9% | 16.4% | 30.2% | 33.6% | 23.6% | 18.1% |
| 2019-Q1 | 13.9% | 16.3% | 30.5% | 33.7% | 23.3% | 18.1% |
| 2019-Q2 | 13.3% | 15.7% | 30.5% | 32.3% | 22.6% | 18.0% |
| 2019-Q3 | 13.1% | 15.3% | 30.7% | 31.0% | 22.5% | 18.3% |
| 2019-Q4 | 13.0% | 15.0% | 31.6% | 31.6% | 22.7% | 18.9% |
| 2020-Q1 | 12.9% | 15.1% | 32.1% | 32.0% | 22.6% | 19.5% |

| Date | Edmonton | Calgary | Toronto | Vancouver | Montréal | Ottawa |
|---|---|---|---|---|---|---|
| 2020-Q2 | 12.6% | 14.9% | 32.0% | 31.5% | 22.5% | 19.7% |
| 2020-Q3 | 12.1% | 14.2% | 29.9% | 29.9% | 22.0% | 18.9% |
| 2020-Q4 | 11.7% | 13.8% | 28.5% | 29.0% | 21.8% | 18.4% |
| 2021-Q1 | 11.9% | 13.9% | 28.9% | 29.6% | 22.2% | 18.7% |
| 2021-Q2 | 12.2% | 14.4% | 31.0% | 31.8% | 23.4% | 19.8% |
| 2021-Q3 | 12.2% | 14.4% | 31.4% | 32.2% | 23.7% | 20.3% |
| 2021-Q4 | 12.3% | 14.5% | 33.0% | 33.7% | 24.5% | 20.8% |
| 2022-Q1 | 12.5% | 15.1% | 36.0% | 37.5% | 25.8% | 21.7% |
| 2022-Q2 | 13.3% | 16.6% | 41.5% | 42.9% | 29.3% | 24.6% |
| 2022-Q3 | 14.3% | 18.2% | 41.3% | 43.3% | 31.1% | 25.4% |
| 2022-Q4 | 14.1% | 18.2% | 40.2% | 42.2% | 30.6% | 25.0% |
| 2023-Q1 | 14.0% | 18.1% | 40.6% | 42.2% | 30.5% | 25.0% |
| 2023-Q2 | 13.8% | 18.5% | 41.5% | 42.9% | 31.1% | 24.8% |

Note: Measure is based on aggregates and assumptions, at loan origination (25-year amortization, 20% down payment).
Source: Statistics Canada, Bank of Canada, CMHC (Calculations)

## Calgary

**Figure 1: Purpose-built apartment vacancy rate at lowest level since 2014 and average rent grew at fastest pace since 2007**

| Year | Vacancy rate (%) | Average rent growth (%) for same-sample 2-bedroom units |
|---|---|---|
| 2000 | 1.3 | 1.0 |
| 2001 | 1.2 | 6.3 |
| 2002 | 2.9 | 2.6 |
| 2003 | 4.4 | 0.0 |
| 2004 | 4.3 | 0.0 |
| 2005 | 1.6 | 1.2 |
| 2006 | 0.5 | 19.5 |
| 2007 | 1.5 | 15.3 |
| 2008 | 2.1 | 4.4 |
| 2009 | 5.3 | -3.7 |
| 2010 | 3.6 | -2.7 |
| 2011 | 1.9 | 1.9 |
| 2012 | 1.3 | 5.9 |
| 2013 | 1.0 | 7.2 |
| 2014 | 1.4 | 5.9 |
| 2015 | 5.3 | 0.0 |
| 2016 | 7.0 | -7.5 |
| 2017 | 6.3 | -1.0 |
| 2018 | 3.9 | 1.5 |
| 2019 | 3.9 | 2.2 |
| 2020 | 6.6 | 0.0 |
| 2021 | 5.1 | 0.0 |
| 2022 | 2.7 | 6.0 |
| 2023 | 1.4 | 14.3 |

Source: CMHC

**Figure 2: Vacancy rates for 2-bedroom units in the lower rent quartiles are below 1%**

| Year | 1st Quartile | 2nd Quartile | 3rd Quartile | 4th Quartile |
|---|---|---|---|---|
| 2012 | 1.4% | 1.0% | 0.6% | 3.6% |
| 2013 | 0.9% | 1.1% | 0.6% | 2.0% |
| 2014 | 1.1% | 1.5% | 1.8% | 2.2% |
| 2015 | 5.2% | 3.4% | 5.5% | 10.7% |
| 2016 | 7.8% | 5.1% | 8.4% | 11.4% |
| 2017 | 7.4% | 5.7% | 4.7% | 11.5% |
| 2018 | 4.1% | 4.1% | 4.0% | 5.6% |
| 2019 | 5.0% | 2.8% | 4.8% | 4.6% |
| 2020 | 7.3% | 5.0% | 4.5% | 9.0% |
| 2021 | 5.9% | 3.4% | 4.3% | 8.6% |
| 2022 | 1.7% | 0.7% | 1.3% | 6.7% |
| 2023 | 0.9% | 0.5% | 1.4% | 2.3% |

Source: Statistics Canada, Bank of Canada, CMHC (Calculations)

## Saskatoon

### Figure 1: Vacancy rates fell across all zones in Saskatoon in 2023

| Zone | October 2022 | October 2023 |
|---|---|---|
| Central | 5.3% | 3.3% |
| South | 2.1% | 1.3% |
| Southeast | 2.8% | 0.9% |
| Northeast | 1.3% | 0.7% |
| North | 3.0% | 0.6% |
| Southwest | 8.6% | 6.2% |
| West | 3.9% | 2.4% |

Source: CMHC

### Figure 2: Higher rental demand drove growth in the universe and in rents from relatively flat pre-pandemic levels

| Year | Sample-Sample Average Rent | Rental Universe Growth |
|---|---|---|
| 2009 | 8.2% | -1.1% |
| 2010 | 4.1% | -0.9% |
| 2011 | 2.7% | -1.7% |
| 2012 | 2.9% | 2.9% |
| 2013 | 4.1% | 0.0% |
| 2014 | 4.4% | 1.4% |
| 2015 | 0.4% | 2.7% |
| 2016 | -0.9% | 1.0% |
| 2017 | -1.5% | 2.2% |
| 2018 | 0.4% | 2.4% |
| 2019 | 2.0% | 0.6% |
| 2020 | 2.0% | 3.4% |
| 2021 | 0.6% | 3.9% |
| 2022 | 3.6% | 4.1% |
| 2023 | 8.9% | 6.7% |

Source: CMHC

## Regina

### Figure 1: Vacancy rates reach lowest level since 2013 and rent growth accelerates

| Year | Vacancy rate (%) | Same-sample rent growth (%) |
|---|---|---|
| 2012 | 1.0 | 4.7 |
| 2013 | 1.8 | 4.1 |
| 2014 | 3.0 | 3.4 |
| 2015 | 5.4 | 0.5 |
| 2016 | 5.5 | 0.0 |
| 2017 | 7.0 | 0.5 |
| 2018 | 7.7 | -0.4 |
| 2019 | 7.8 | -0.5 |
| 2020 | 7.5 | 0.5 |
| 2021 | 7.1 | 0.0 |
| 2022 | 3.2 | 3.6 |
| 2023 | 1.4 | 7.9 |

Source: CMHC

### Figure 2: Renting and owning a home are relatively affordable in Regina despite recent rent growth and rising borrowing costs

#### Rent-to-income ratio

Rent-to-income ratio (%), expressed as average rent for a 2-bedroom apartment as a share of income based on average wages

| Year | Regina | Saskatoon | Calgary |
|---|---|---|---|
| 2012 | 20% | 22% | 22% |
| 2013 | 20% | 22% | 23% |
| 2014 | 21% | 22% | 24% |
| 2015 | 21% | 21% | 24% |
| 2016 | 20% | 21% | 22% |
| 2017 | 21% | 21% | 21% |
| 2018 | 20% | 21% | 21% |
| 2019 | 20% | 21% | 22% |
| 2020 | 20% | 21% | 21% |
| 2021 | 19% | 21% | 22% |
| 2022 | 19% | 21% | 23% |
| 2023 | 21% | 23% | 26% |

**Homebuying repayment affordability**

Monthly expenditures, if buying a median-priced home, as a share of median income (%), assuming 25-year amortization and 20% down payment

| Year | Regina | Saskatoon | Calgary |
|---|---|---|---|
| 2012 | 28% | 29% | 26% |
| 2013 | 26% | 28% | 27% |
| 2014 | 26% | 28% | 29% |
| 2015 | 25% | 28% | 27% |
| 2016 | 25% | 28% | 28% |
| 2017 | 24% | 25% | 27% |
| 2018 | 23% | 25% | 27% |
| 2019 | 22% | 25% | 26% |
| 2020 | 21% | 24% | 24% |
| 2021 | 21% | 25% | 25% |
| 2022 | 25% | 30% | 31% |
| 2023 | 28% | 31% | 33% |

Source: CMHC

## Winnipeg

**Figure 1: General inverse relationship between vacancy rates and rent change seen historically in Winnipeg**

| Year | Vacancy rate | Average Sample-Rent Growth |
|---|---|---|
| 2000 | 2.0% | 2.7% |
| 2001 | 1.4% | 2.9% |
| 2002 | 1.2% | 2.7% |
| 2003 | 1.3% | 4.4% |
| 2004 | 1.1% | 2.3% |
| 2005 | 1.7% | 3.1% |
| 2006 | 1.3% | 2.9% |
| 2007 | 1.5% | 4.4% |
| 2008 | 1.0% | 4.0% |
| 2009 | 1.1% | 3.9% |
| 2010 | 0.8% | 3.6% |
| 2011 | 1.1% | 4.6% |
| 2012 | 1.7% | 3.8% |
| 2013 | 2.5% | 4.7% |
| 2014 | 2.5% | 3.7% |
| 2015 | 2.9% | 3.6% |
| 2016 | 2.8% | 2.1% |
| 2017 | 2.8% | 3.9% |
| 2018 | 2.9% | 4.0% |
| 2019 | 3.1% | 3.5% |
| 2020 | 3.8% | 3.0% |
| 2021 | 5.1% | 2.6% |
| 2022 | 2.7% | 1.7% |
| 2023 | 1.8% | 4.3% |

Source: CMHC

**Figure 2: Majority of zones saw decline in vacancy rate in 2023**

| Zone | Oct-22 | Oct-23 |
|---|---|---|
| Fort Rouge | 2.1% | 1.1% |
| Centennial | 5.2% | 3.7% |
| Midland | 3.8% | 3.5% |
| Lord Selkirk | 4.8% | 4.1% |
| St. James | 1.5% | 2.1% |
| West Kildonan | 5.1% | 1.2% |
| East Kildonan | 1.4% | 1.1% |
| Transcona | 1.1% | 0.9% |
| St. Boniface | 2.4% | 1.4% |
| St. Vital | 2.5% | 1.2% |
| Fort Garry | 1.7% | 1.4% |
| Assiniboine Park | 1.5% | 0.6% |

Source: CMHC

## Hamilton

**Figure 1: Fast-growing populations of millennials and seniors favour the rental market**

| Year | 15–24 | 25–44 | 45–64 | 65+ |
|---|---|---|---|---|
| 2010 | 98,375 | 200,200 | 196,925 | 110,950 |
| 2011 | 102,400 | 182,400 | 206,900 | 120,750 |
| 2012 | 96,050 | 186,750 | 206,225 | 128,975 |
| 2013 | 97,375 | 192,050 | 209,550 | 123,450 |
| 2014 | 90,325 | 191,550 | 215,025 | 129,550 |
| 2015 | 95,800 | 190,725 | 213,100 | 130,700 |
| 2016 | 93,675 | 198,950 | 209,625 | 133,950 |
| 2017 | 105,225 | 210,375 | 218,525 | 110,100 |
| 2018 | 110,100 | 200,200 | 217,400 | 124,500 |
| 2019 | 97,275 | 211,275 | 215,900 | 135,800 |
| 2020 | 98,550 | 216,175 | 204,875 | 144,375 |

| Year | 15–24 | 25–44 | 45–64 | 65+ |
|---|---|---|---|---|
| 2021 | 103,350 | 212,600 | 209,050 | 142,200 |
| 2022 | 103,950 | 217,150 | 206,675 | 145,650 |
| 2023 YTD* | 99,433 | 225,600 | 198,700 | 157,900 |

*January to September.
Source: Statistics Canada

### Figure 2: Fewer renters may pay the premium for condominium apartments

| Year | Condominium | Purpose-built |
|---|---|---|
| 2016 | $1,436 | $1,037 |
| 2017 | $1,493 | $1,103 |
| 2018 | $1,358 | $1,158 |
| 2019 | $1,896 | $1,219 |
| 2020 | $1,947 | $1,291 |
| 2021 | $1,996 | $1,362 |
| 2022 | $2,083 | $1,438 |
| 2023 | $2,373 | $1,617 |

Source: CMHC

## Kitchener-Cambridge-Waterloo

### Figure 1: Share of households renting their primary residences

| Age group | 2021 | 2016 |
|---|---|---|
| 15–24 | 88% | 86% |
| 25–34 | 56% | 50% |
| 35–44 | 34% | 30% |
| 45–54 | 26% | 25% |
| 55–64 | 26% | 23% |
| 65+ | 28% | 27% |

Source: Statistics Canada, Census of Population, 2016 and 2021

### Figure 2: Newly added supply

| Year | Purpose-built apartments | Condominium apartments |
|---|---|---|
| 2010 | 584 | 144 |
| 2011 | 409 | 154 |
| 2012 | 350 | 448 |
| 2013 | 1,064 | 202 |
| 2014 | 524 | 204 |
| 2015 | 820 | 355 |
| 2016 | 1,439 | 835 |
| 2017 | 1,244 | 1,293 |
| 2018 | 1,743 | 666 |
| 2019 | 813 | 710 |
| 2020 | 1,145 | 504 |
| 2021 | 924 | 549 |
| 2022 | 923 | 1,576 |
| 2023 | 1,481 | 1,236 |

Source: CMHC

## Windsor

### Figure 1: Low vacancy rate signals a continuation of tight rental market conditions

Overall vacancy rate for purpose-built rental apartments

| Year | Vacancy Rate |
|---|---|
| 2014 | 4.3% |
| 2015 | 3.9% |
| 2016 | 2.9% |
| 2017 | 2.4% |
| 2018 | 3.0% |
| 2019 | 2.9% |
| 2020 | 3.6% |
| 2021 | 3.5% |
| 2022 | 1.8% |
| 2023 | 2.0% |

Source: CMHC

### Figure 2: Affordability for minimum-wage workers has worsened over time

Average rents as a percentage of monthly income levels

| Year | Minimum wage: Bachelor | Average wage: 1-bedroom | Dual average wage: 2-bedroom |
|---|---|---|---|
| 2016 | 28% | 15% | 9% |
| 2017 | 28% | 15% | 9% |
| 2018 | 25% | 15% | 9% |
| 2019 | 28% | 16% | 9% |
| 2020 | 29% | 16% | 9% |
| 2021 | 31% | 17% | 10% |
| 2022 | 31% | 17% | 10% |
| 2023 | 31% | 17% | 10% |

Sources: CMHC; Statistics Canada

## St. Catharines-Niagara

### Figure 1: Share of households renting their primary residences

| | Propensity to rent | |
|---|---|---|
| Age group | 2016 | 2021 |
| 15–24 | 80% | 77% |
| 25–34 | 45% | 49% |
| 35–44 | 30% | 33% |
| 45–54 | 25% | 26% |
| 55–64 | 22% | 23% |
| 65+ | 20% | 22% |

Source: CMHC

### Figure 2: Newly added supply

| Year | Purpose-built apartments | Condominium apartments |
|---|---|---|
| 1991 | 622 | 152 |
| 1992 | 220 | 190 |
| 1993 | 390 | 22 |
| 1994 | 81 | 0 |
| 1995 | 122 | 127 |
| 1996 | 18 | 50 |
| 1997 | 3 | 16 |
| 1998 | 8 | 90 |
| 1999 | 40 | 0 |
| 2000 | 0 | 90 |
| 2001 | 75 | 0 |
| 2002 | 22 | 30 |
| 2003 | 4 | 0 |
| 2004 | 4 | 0 |
| 2005 | 12 | 0 |
| 2006 | 105 | 0 |
| 2007 | 40 | 0 |
| 2008 | 56 | 22 |
| 2009 | 0 | 0 |
| 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 |
| 2023 | 503 | 242 |

Completions Data from July to June, for example, from July 2022 to June 2023 for the 2023 period.

Source: CMHC

## London

### Figure 1: The down payment needed to qualify for the purchase of a median-priced home was 1.5 times the London CMA's yearly median income in Q2 2023

| Year, Quarter | Median Home, 25 Year Ammortization |
|---|---|
| 2019 Q1 | 0.2 |
| 2019 Q2 | 0.2 |
| 2019 Q3 | 0.2 |
| 2019 Q4 | 0.2 |
| 2020 Q1 | 0.2 |
| 2020 Q2 | 0.2 |
| 2020 Q3 | 0.2 |
| 2020 Q4 | 0.2 |
| 2021 Q1 | 0.4 |
| 2021 Q2 | 0.8 |
| 2021 Q3 | 1.1 |
| 2021 Q4 | 1.3 |
| 2022 Q1 | 1.8 |
| 2022 Q2 | 2.4 |
| 2022 Q3 | 2.2 |
| 2022 Q4 | 2.0 |
| 2023 Q1 | 1.4 |
| 2023 Q2 | 1.5 |

Note: Assumes before-tax median income, 25-year ammortization period, 5-year fixed mortgage rate, and a gross debt service ratio (GDS) equal to or lower than 39% of median income.

Source: CMHC

Figure 2: With accelerating rent growth in the London CMA, turnover rates have been declining

| Date | Same-sample change in average rent (%) | Turnover rate (%) |
|---|---|---|
| Oct. 2021 | 3.0% | 18.1% |
| Oct. 2022 | 5.8% | 13.6% |
| Oct. 2023 | 6.4% | 13.0% |

Source: CMHC

Figure 3: The vacancy rate for condominium rental apartments dropped to an all-time low

| Year | Vacancy Rate |
|---|---|
| 2015 | 2.8% |
| 2016 | 4.3% |
| 2017 | 3.6% |
| 2018 | 1.8% |
| 2019 | 1.3% |
| 2020 | 0.6% |
| 2021 | 0.3% |
| 2022 | 0.9% |
| 2023 | 0.1% |

Source: CMHC

## Toronto

Figure 1: In 2023, a record share of income would have been required to pay for the monthly homeownership expenses of a condominium apartment in the GTA (%)*

| Quarter | Homebuying repayment affordability indicator, GTA (%) |
|---|---|
| 2000 Q2 | 24.4 |
| 2000 Q3 | 23.9 |
| 2000 Q4 | 23.6 |
| 2001 Q1 | 23.1 |
| 2001 Q2 | 23.5 |
| 2001 Q3 | 23.3 |
| 2001 Q4 | 22.8 |
| 2002 Q1 | 23.3 |
| 2002 Q2 | 24.4 |
| 2002 Q3 | 23.9 |
| 2002 Q4 | 23.3 |
| 2003 Q1 | 23.5 |
| 2003 Q2 | 23.2 |
| 2003 Q3 | 23.3 |
| 2003 Q4 | 23.6 |
| 2004 Q1 | 22.3 |
| 2004 Q2 | 23.1 |
| 2004 Q3 | 23.3 |
| 2004 Q4 | 22.9 |
| 2005 Q1 | 23.1 |
| 2005 Q2 | 22.8 |
| 2005 Q3 | 22.6 |
| 2005 Q4 | 23.0 |
| 2006 Q1 | 23.3 |
| 2006 Q2 | 23.9 |
| 2006 Q3 | 24.3 |
| 2006 Q4 | 23.6 |
| 2007 Q1 | 23.9 |
| 2007 Q2 | 24.4 |
| 2007 Q3 | 25.0 |
| 2007 Q4 | 25.3 |
| 2008 Q1 | 25.5 |
| 2008 Q2 | 25.0 |
| 2008 Q3 | 24.8 |
| 2008 Q4 | 24.7 |
| 2009 Q1 | 22.7 |
| 2009 Q2 | 23.0 |
| 2009 Q3 | 24.1 |
| 2009 Q4 | 24.4 |
| 2010 Q1 | 24.5 |
| 2010 Q2 | 25.3 |
| 2010 Q3 | 24.4 |
| 2010 Q4 | 23.7 |
| 2011 Q1 | 24.4 |
| 2011 Q2 | 24.8 |
| 2011 Q3 | 24.6 |
| 2011 Q4 | 24.0 |
| 2012 Q1 | 23.5 |
| 2012 Q2 | 23.8 |
| 2012 Q3 | 23.2 |
| 2012 Q4 | 22.9 |
| 2013 Q1 | 23.0 |
| 2013 Q2 | 22.9 |

| Quarter | Homebuying repayment affordability indicator, GTA (%) |
|---|---|
| 2013 Q3 | 24.1 |
| 2013 Q4 | 25.3 |
| 2014 Q1 | 25.0 |
| 2014 Q2 | 25.1 |
| 2014 Q3 | 24.8 |
| 2014 Q4 | 24.4 |
| 2015 Q1 | 24.0 |
| 2015 Q2 | 24.3 |
| 2015 Q3 | 24.6 |
| 2015 Q4 | 24.7 |
| 2016 Q1 | 25.3 |
| 2016 Q2 | 26.0 |
| 2016 Q3 | 26.7 |
| 2016 Q4 | 27.3 |
| 2017 Q1 | 28.0 |
| 2017 Q2 | 27.9 |
| 2017 Q3 | 28.8 |
| 2017 Q4 | 29.0 |
| 2018 Q1 | 29.7 |
| 2018 Q2 | 30.2 |
| 2018 Q3 | 30.3 |
| 2018 Q4 | 30.2 |
| 2019 Q1 | 30.5 |
| 2019 Q2 | 30.5 |
| 2019 Q3 | 30.7 |
| 2019 Q4 | 31.6 |
| 2020 Q1 | 32.1 |
| 2020 Q2 | 32.0 |
| 2020 Q3 | 29.9 |
| 2020 Q4 | 28.5 |
| 2021 Q1 | 28.9 |
| 2021 Q2 | 31.0 |
| 2021 Q3 | 31.4 |
| 2021 Q4 | 33.0 |
| 2022 Q1 | 36.0 |
| 2022 Q2 | 41.5 |
| 2022 Q3 | 41.3 |
| 2022 Q4 | 40.2 |
| 2023 Q1 | 40.6 |
| 2023 Q2 | 41.5 |

*Simulated monthly expenses if a mortgage loan was originated during the quarter for a condominium purchased at the median market price, relative to household median before-tax income in the region. Assuming a 20% down payment, a 25-year amortization period and a 5-year fixed mortgage rate. Monthly expenses include mortgage repayment and other recurring homeowner spendings: property taxes, utilities, home insurance and maintenance (condominium fees, maintenance & repairs).

Source: CMHC calculations based on data from CMHC, Statistics Canada and the Bank of Canada

### Figure 2: Rent growth in the GTA has climbed higher over much of the last decade (%)*

| Year | Average same-sample rent growth (%) for 2-bedroom purpose-built rental apartments, GTA |
|---|---|
| 2014 | 2.7 |
| 2015 | 3.3 |
| 2016 | 3.2 |
| 2017 | 4.2 |
| 2018 | 5.2 |
| 2019 | 6.1 |
| 2020 | 4.6 |
| 2021 | 1.5 |
| 2022 | 6.5 |
| 2023 | 8.7 |

*In reference to average same-sample rent growth for 2-bedroom purpose-built rental apartments.

Source: CMHC Rental Market Survey, 2014-2023

### Figure 3: Nearly 2 out of every 5 condominium apartments were rented in the GTA (%)

| Year | Condominium apartment investor share (%), GTA |
|---|---|
| 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 |
| 2023 | 38.1 |

Source: CMHC Rental Market Survey, 2014-2023

## Ottawa

### Figure 1: The vacancy rate in 2023 is close to the average for the last two decades

| Year | Vacancy rate |
|---|---|
| 1999 | 0.7% |
| 2000 | 0.2% |
| 2001 | 0.8% |
| 2002 | 1.9% |
| 2003 | 3.0% |
| 2004 | 4.0% |
| 2005 | 3.4% |
| 2006 | 2.5% |
| 2007 | 2.3% |
| 2008 | 1.5% |
| 2009 | 1.7% |
| 2010 | 1.7% |
| 2011 | 1.5% |
| 2012 | 2.7% |
| 2013 | 3.0% |
| 2014 | 2.8% |
| 2015 | 3.5% |
| 2016 | 3.1% |
| 2017 | 1.7% |
| 2018 | 1.6% |
| 2019 | 1.8% |
| 2020 | 3.8% |
| 2021 | 3.5% |
| 2022 | 2.1% |
| 2023 | 2.1% |

Source: CMHC

### Figure 2: The record migration to Ontario in 2023 has added pressure to rental demand

| Year | Net international migration (Ontario) |
|---|---|
| 2014 | 85,133 |
| 2015 | 68,755 |
| 2016 | 125,968 |
| 2017 | 143,238 |
| 2018 | 197,952 |
| 2019 | 200,494 |
| 2020 | 153,605 |
| 2021 | 80,193 |
| 2022 | 325,967 |
| 2023 | 498,944 |

Net international migration, Ontario, July to June.
Source: Statistics Canada

## Gatineau

### Figure 1: Vacancy rate in the CMA has held steady at around 1% since 2018

| Year | Vacancy rate |
|---|---|
| 2011–2015 | 4.6% |
| 2016 | 6.2% |
| 2017 | 3.8% |
| 2018 | 1.2% |
| 2019 | 1.5% |
| 2020 | 1.6% |
| 2021 | 1.0% |
| 2022 | 0.8% |
| 2023 | 1.1% |

Source: CMHC

**Figure 2: Sustained increase in purpose-built rental completions in the Gatineau area**

| Year | Completion |
|---|---|
| 2011–2015 | 332 |
| 2016 | 353 |
| 2017 | 440 |
| 2018 | 922 |
| 2019 | 952 |
| 2020 | 1,555 |
| 2021 | 1,369 |
| 2022 | 1,831 |
| 2023 | 2,127 |

Data from July to June, for example, from July 2022 to June 2023 for the 2023 period.

Source: CMHC

## Montréal

**Figure 1: Record growth in net migration* for Québec in 2023**

| Year | Net interprovincial migration | Net international migration | Net number of non-permanent residents |
|---|---|---|---|
| 2014 | -14,312 | 42,638 | 785 |
| 2015 | -16,142 | 35,604 | 4,522 |
| 2016 | -11,118 | 46,676 | 6,048 |
| 2017 | -8,127 | 44,243 | 18,940 |
| 2018 | -5,693 | 42,255 | 48,173 |
| 2019 | -4,128 | 39,950 | 50,872 |
| 2020 | -4,436 | 30,134 | 37,266 |
| 2021 | -2,944 | 30,967 | -1,3647 |
| 2022 | -6,529 | 57,799 | 38,758 |
| 2023 | -6,052 | 59,369 | 148,631 |

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

Source: Statistics Canada

**Figure 2: Record-breaking growth in the average rent for the Montréal area in 2023 (2-bedroom apartments)**

| Year | Estimated change |
|---|---|
| 1992 | 2.6% |
| 1993 | 0.6% |
| 1994 | ** |
| 1995 | 1.6% |
| 1996 | 1.9% |
| 1997 | 1.3% |
| 1998 | 0.9% |
| 1999 | 2.0% |
| 2000 | 2.1% |
| 2001 | 4.3% |
| 2002 | 5.4% |
| 2003 | 4.9% |
| 2004 | 2.8% |
| 2005 | 2.7% |
| 2006 | 2.8% |
| 2007 | 2.3% |
| 2008 | 2.1% |
| 2009 | 2.6% |
| 2010 | 3.1% |
| 2011 | 2.5% |
| 2012 | 0.8% |
| 2013 | 2.0% |
| 2014 | 2.2% |
| 2015 | ** |
| 2016 | 1.7% |
| 2017 | 2.1% |
| 2018 | 2.8% |
| 2019 | 3.4% |
| 2020 | 3.6% |
| 2021 | 3.9% |
| 2022 | 5.4% |
| 2023 | 7.9% |

**Data suppressed to protect confidentiality or data not statistically reliable.

Source: CMHC

## Québec

### Figure 1: Record growth in net migration* for Québec in 2023

| Year | Net interprovincial migration | Net international migration | Net number of non-permanent residents |
|---|---|---|---|
| 2014 | -14,312 | 42,638 | 785 |
| 2015 | -16,142 | 35,604 | 4,522 |
| 2016 | -11,118 | 46,676 | 6,048 |
| 2017 | -8,127 | 44,243 | 18,940 |
| 2018 | -5,693 | 42,255 | 48,173 |
| 2019 | -4,128 | 39,950 | 50,872 |
| 2020 | -4,436 | 30,134 | 37,266 |
| 2021 | -2,944 | 30,967 | -1,3647 |
| 2022 | -6,529 | 57,799 | 38,758 |
| 2023 | -6,052 | 59,369 | 148,631 |

*From July of the previous year to June of the current year.
Source: Statistics Canada

### Figure 2: Record increase in the CMA's purpose-built rental supply between July 2022 and June 2023

| Year | Vacancy rate |
|---|---|
| 2011–2015 | 622 |
| 2016 | 1,260 |
| 2017 | 2,273 |
| 2018 | 1,874 |
| 2019 | 1,882 |
| 2020 | 2,483 |
| 2021 | 2,929 |
| 2022 | 3,567 |
| 2023 | 4,807 |

Data from July to June, for example, from July 2022 to June 2023 for the 2023 period.
Source: CMHC

## Halifax

### Figure 1: Record July–June net migration for Nova Scotia

| Year | Nova Scotia Net Migration, July 1st – June 30th |
|---|---|
| 2014 | -320 |
| 2015 | 1,955 |
| 2016 | 7,146 |
| 2017 | 8,317 |
| 2018 | 9,480 |
| 2019 | 13,547 |
| 2020 | 13,238 |
| 2021 | 11,304 |
| 2022 | 28,109 |
| 2023 | 33,249 |

Source: Statistics Canada

### Figure 2: Vacancy rate and rental completions Halifax CMA

| Year | Completions* | Vacancy rate |
|---|---|---|
| 2014 | 1,502 | 3.8% |
| 2015 | 1,375 | 3.4% |
| 2016 | 887 | 2.6% |
| 2017 | 1,655 | 2.3% |
| 2018 | 1,803 | 1.6% |
| 2019 | 1,440 | 1.0% |
| 2020 | 1,580 | 1.9% |
| 2021 | 1,751 | 1.0% |
| 2022 | 1,211 | 1.0% |
| 2023 | 2,842 | 1.0% |

*Rental units completed between Rental Market Surveys. This period includes July of previous year to June of current survey year.
Source: CMHC

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