



News Release

December 11, 2008

(For Immediate Release)

Rental affordability stable - vacancy rates and rents show moderate changes

According to CMHC's annual rental survey, the rental market became more affordable in 12 centres, less affordable in 12 centres and remained the same in one. Centres experiencing improved rental affordability are:

Calgary	Kitchener-Waterloo	Oshawa	Quebec City
Halifax	London	Ottawa-Gatineau (Ont. Part)	Windsor
Hamilton	Montreal	Ottawa-Gatineau (Que. Part)	Winnipeg

Between 2007 and 2008, the average vacancy rate across Canada declined moderately, from 2.6% to 2.3%. This is a rate above the rates experienced in the years 2000, 2001 and 2002.

Despite the decline in the average vacancy rate, there is still a good supply of rental apartments. At an average of 3.3%, availability rates are healthy.

From October 2007 to October 2008, rents increased on average 3.0%, down from an average increase of 3.6% from 2006 to 2007. Set out below are the October 2008 average rents and year-over-year increases for Canada's largest cities.

	2BR Apt	Increase (from fixed sample)
Halifax	\$833	2.0%
Montreal	\$659	2.1%
Ottawa	\$995	3.7%
Hamilton	\$836	1.5%
Toronto	\$1,095	1.7%
Winnipeg	\$769	3.5%
Edmonton	\$1,034	9.2% Despite the rent increase Edmonton showed no change in affordability, as renter incomes rose at the same rate as rents.
Calgary	\$1,148	4.4%
Vancouver	\$1,124	4.6%

Source: Table 1.0, Rental Market Report - Canada Highlights, Fall 2008

CFAA President John Dickie says, "Canada's private rental markets continue to serve the needs of renters across Canada."

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Backgrounder

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Rental Affordability Indicators

CMHC recently introduced a local rental affordability indicator to gauge how affordable a rental market is for those households which rent within that market. A generally accepted rule of thumb for affordability is that a household should spend less than 30 per cent of its gross income on housing.

The new rental affordability indicator examines a three-year moving average of median income of renter households and compares it to the median rent for a two-bedroom apartment in the centre in which they live. An indicator value of 100 indicates that 30 per cent of the median income of renter households is necessary to rent a two-bedroom apartment going at the median rental rate. In general, as the rental affordability indicator increases, the market becomes more affordable; as the indicator declines, the market becomes less affordable.

Vacancy

A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Availability

A unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy).