



FAST FAX

RENTAL MARKET REPORT

Guelph

Canada Mortgage and Housing Corporation

Vacancy rate rises

NOVEMBER 26, 2002 - The Guelph rental market eased significantly this year as the apartment vacancy rate jumped to 2.7 percent compared to the 1.0 percent recorded in 2001, according to the annual October Rental Market Survey released by Canada Mortgage and Housing Corporation (CMHC). The CMHC survey found 184 vacant privately-owned apartments in the Guelph CA, up noticeably from 68 units last year. Although the apartment rental market universe has increased by 121 units to 6,730 units, a check of newly completed units does not show a problem in absorption of units. The jump in vacancy can be attributed to three separate factors over the last year.

First, a strong housing market was a key factor leading to the increase in vacant units this year. Low carrying costs resulted in an exodus of first-timebuyers into ownership at the end of 2001 and in 2002. The carrying costs of the average home offered for sale in the Guelph Real Estate Board dropped to \$828 in the four months following the October 2001 survey from \$952 in the previous year. As a result, the cost of ownership dropped below the average rent of a 3 bedroom apartment or row unit. Second, youth employment in the Region weakened in early 2002 delaying tenant household formation.

Third, although not included in our survey, the opening of new student housing on the campus of the University of Guelph also played a role in the increase in vacancy rate in October 2002. As units became available in the vicinity of the university, tenants especially students were able to move closer to their studies pushing the vacancy up in Guelph West.

In 2002, the average apartment rent rose for all unit types with the exception of 3-bedroom units where competition from homeownership limited rent increases. The most common type of apartment, a two bedroom unit, saw rents increase 4.8 percent to \$801, which is more than double the rate of inflation. Higher vacancies this year indicate that pressure on rents may be lower next year.

Vacancy Rates by Apartment Type	2001	2002
Bachelor	3.9%	6.7%
1 Bedroom	0.9%	3.0%
2 Bedroom	0.9%	2.1%
3 Bedroom +	1.4%	5.5%
Total	1.0%	2.7%

Average Rents by Apartment Type	2001	2002
Bachelor	\$528	\$566
1 Bedroom	\$668	\$707
2 Bedroom	\$764	\$801
3 Bedroom +	\$917	\$918

Apartment Types	Vacant Units	Total Units
Bachelor	19	283
1 Bedroom	69	2,269
2 Bedroom	83	3,941
3 Bedroom +	13	236
Total	184	6,730

Survey covers private apartment buildings which have at least 3 units available to rent.

Jim Koppang (519) 873-2429
Market Analyst, KITCHENER

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1. Apartment Vacancy Rates

Apartment Vacancy Rates by Zone and Bedroom Type

Guelph CA

Area	Bachelor		One Bedroom		Two Bedroom		Three Bedroom +		Total	
	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002
Zone 1 - Guelph (West)	**	**	1.1	4.1	1.0	4.0	**	6.4	1.1	4.2
Zone 2 - Guelph (South)	4.6	8.1	0.5	1.8	0.4	0.6	**	**	0.8	1.6
Zone 3 - Guelph (East)	**	**	1.3	3.4	1.5	0.7	1.5	**	1.4	1.6
GUELPH CA	3.9	6.7	0.9	3.0	0.9	2.1	1.4	5.5	1.0	2.7

2. Average Apartment Rents

Apartment Rents by Zone and Bedroom Type

Guelph CA

Area	Bachelor		One Bedroom		Two Bedroom		Three Bedroom +	
	2001	2001	2001	2001	2001	2001	2001	2001
Zone 1 - Guelph (West)	**	**	\$675	\$714	\$769	\$803	**	\$925
Zone 2 - Guelph (South)	\$532	\$587	\$687	\$727	\$798	\$834	**	**
Zone 3 - Guelph (East)	**	**	\$590	\$619	\$701	\$734	\$853	**
GUELPH CA	\$528	\$566	\$668	\$707	\$764	\$801	\$917	\$918

** Not released to ensure confidentiality and accuracy of survey results.