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# A S T F A X

## Kitchener CMA

Canada Mortgage and Housing Corporation

### RENTAL MARKET REPORT Vacancy rate trends higher in 2003

November 2003- For the second straight year, the Kitchener CMA rental market eased significantly with the 2003 apartment vacancy rate coming in at 3.2 percent, up sharply from the 2.3 percent recorded in 2002, according to the annual October Rental Market Survey released by Canada Mortgage and Housing Corporation (CMHC). The CMHC survey found 838 vacant privately-owned apartments in the CMA, up from 612 vacant units last year. Low mortgage rates remain the most important factor leading to the increase in vacant units this year.

Movement of renters into homeownership continued in 2003 due to low mortgage rates. The carrying costs based on the average home offered for sale in the Kitchener-Waterloo Real Estate Board edged up only 2% to \$875 in the three months prior to the October 2003 survey from \$857 in the previous year. In Cambridge, carrying costs dropped to \$863 from \$877.

In 2003, the student double cohort was expected to enter post-secondary education and increase rental demand. However, the number of students did not reach levels expected as many returned to secondary school to improve grades. In addition full-time employment in the 15 to 24 age group remained weak in the first three quarters of 2002 and full-time jobs were replaced by part-time jobs. Although job growth in this age group bounced back in the middle of this year, household growth in this predominately tenant age group is not expected to strengthen.

The impact of new additions to the private rental universe has been limited over the last year. Overall, the supply of rental apartments fell this year to 25,995 units from the 26,234 units recorded in the 2002 survey.

After witnessing a large increase in vacancies in 2002, upward pressure on rents this past year was muted. The most popular two bedroom unit had rents increase on average by just 0.5 per cent after increasing by 3.9 per cent last year. Similarly, rents for one bedroom units increased by 1.3 per cent this year compared with 3.7 per cent in 2002.

Vacancy Rates by Apartment Type	2002	2003
Bachelor	1.0%	2.5%
1 Bedroom	2.3%	3.0%
2 Bedroom	2.3%	3.4%
3 Bedroom +	3.7%	3.7%
Total	2.3%	3.2%

Average Rents by Apartment Type	2002	2003
Bachelor	\$518	\$517
1 Bedroom	\$638	\$646
2 Bedroom	\$750	\$754
3 Bedroom +	\$898	\$943
Total	\$714	\$719

Apartment Types	Vacant Units	Total Units
Bachelor	22	885
1 Bedroom	266	8,850
2 Bedroom	495	14,783
3 Bedroom +	54	1,476
Total	838	25,995

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

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## 1. Apartment Vacancy Rates

### Apartment Vacancy Rates by Zone and Bedroom Type

#### Kitchener CMA

Area	Bachelor		One Bedroom		Two Bedroom		Three Bedroom +		Total	
	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003
Zone 1 - Kitchener East	0.5	0.4	2.4	3.6	3.3	4.7	7.3	3.2	3.2	4.1
Zone 2 - Kitchener Central	1.8	6.4	3.5	4.0	2.7	4.0	2.6	**	3.0	4.2
Zone 3 - Kitchener West	1.5	2.5	1.2	2.7	2.1	3.9	**	**	1.7	3.3
<b>Zones 1-3 Kitchener City</b>	<b>1.3</b>	<b>2.9</b>	<b>2.3</b>	<b>3.4</b>	<b>2.9</b>	<b>4.4</b>	<b>5.6</b>	<b>3.1</b>	<b>2.7</b>	<b>3.9</b>
Zone 4 - Waterloo City	**	**	3.8	1.4	1.3	1.4	2.1	4.4	2.1	1.6
Zone 5 - Cambridge City	**	1.8	0.7	3.4	1.5	1.9	0.0	4.5	1.2	2.6
Zone 6 - North Dumfries Twp. and Woolwich Twp.	0.0	0.0	0.9	**	0.0	**	**	N/A	0.3	1.8
<b>KITCHENER CMA</b>	<b>1.0</b>	<b>2.5</b>	<b>2.3</b>	<b>3.0</b>	<b>2.3</b>	<b>3.4</b>	<b>3.7</b>	<b>3.7</b>	<b>2.3</b>	<b>3.2</b>

## 2. Average Apartment Rents

### Apartment Rents by Zone and Bedroom Type

#### Kitchener CMA

Area	Bachelor		One Bedroom		Two Bedroom		Three Bedroom +	
	2002	2003	2002	2003	2002	2003	2002	2003
Zone 1 - Kitchener East	\$560	\$552	\$624	\$640	\$741	\$751	\$894	\$897
Zone 2 - Kitchener Central	\$453	\$473	\$615	\$631	\$742	\$776	\$964	**
Zone 3 - Kitchener West	\$540	\$530	\$659	\$645	\$774	\$753	**	**
<b>Zones 1-3 Kitchener City</b>	<b>\$518</b>	<b>\$520</b>	<b>\$634</b>	<b>\$640</b>	<b>\$751</b>	<b>\$755</b>	<b>\$902</b>	<b>\$914</b>
Zone 4 - Waterloo City	**	**	\$668	\$688	\$805	\$794	\$979	\$1,066
Zone 5 - Cambridge City	**	\$506	\$622	\$622	\$688	\$702	\$722	\$775
Zone 6 - North Dumfries Twp. and Woolwich Twp.	\$495	\$521	\$577	**	\$676	**	**	N/A
<b>KITCHENER CMA</b>	<b>\$518</b>	<b>\$517</b>	<b>\$638</b>	<b>\$646</b>	<b>\$750</b>	<b>\$754</b>	<b>\$898</b>	<b>\$943</b>

N/U = No structures in the Universe

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

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