

R

ENTAL MARKET

REPORT

Canada Mortgage and Housing Corporation

Apartment Vacancies Up in 2002

For the first time in three years, apartment seekers in the Calgary Census Metropolitan Area (CMA) are having an easier time finding rental accommodations. Following a 0.1 percentage point drop to 1.2 per cent in October 2001, apartment vacancy rates jumped this October to 2.9 per cent, the highest level since 1995. Out of every one thousand privately-initiated rental apartment units, the vacancy rate translates into 29 units available for rent and immediate occupancy at the time of the survey. CMHC's October Rental Market Survey found 1,233 vacant privately-owned apartments in the CMA, more than double the 526 reported one year ago. Though Calgary experienced a further decline in its apartment universe, low mortgage rates prompted many renters to move toward home ownership. Other forces come via an indirect increase in the rental

supply, as investors purchased condominiums to rent out.

The higher number of vacancies helped ease rental rate increases in 2002. Following a six per cent jump in 2001, average apartment rents increased by less than two per cent between October 2001 and October 2002, reaching \$716 per month. In the face of rising vacancies and continued low mortgage rates, property owners are removing any incentive for their tenants to consider home ownership. Following the largest increase among units in 2001, one-bedroom suites recorded the smallest rent increase this year at 1.2 per cent. Bachelor suites recorded the largest hike in rents at 4.3 per cent, while three-bedroom plus units followed with a 3.5 per cent gain. Two-bedroom units, which account for over 40 per cent of the rental universe, saw their rents increase by 2.7 per cent. Out of 26

CALGARY 2002

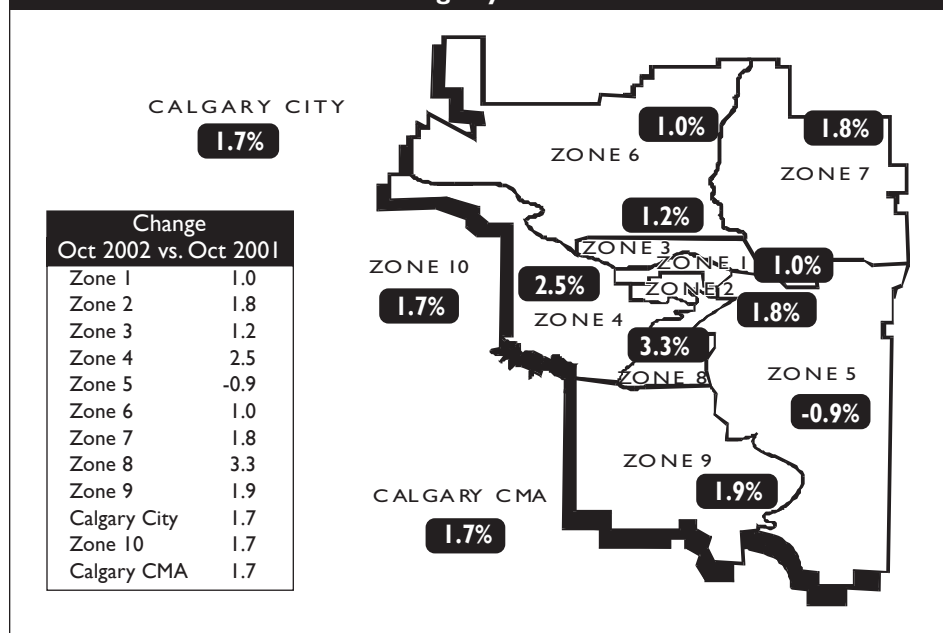
IN THIS ISSUE:

- Apartment Vacancies Down in 2001 1
- Highlights 2
- Rental Market Outlook 3
- National Overview 4
- Calgary Rental Market Survey 5
- Methodology 6
- Survey Zone Map 7

STATISTICAL TABLES

- Apartment Vacancy Rates by Zone 8
- Average Apartment Rents by Bedroom Type 8
- Apartment Vacancy Rates by Zone and Bedroom Type 9
- Average Apartment Rents by Zone and Bedroom Type 9
- Vacant and Total Apartment Universe by Zone and Bedroom Type 10
- Row Vacancy Rates by Zone 10
- Average Row Rents by Bedroom Type .. 11
- Row Vacancy Rates by Zone and Bedroom Type 11
- Average Row Rents by Zone and Bedroom Type 12
- Vacant and Total Row Universe by Zone and Bedroom Type 12

Apartment Vacancy Rate Change by Sector



HOME TO CANADIANS
Canada

CMAs in Canada, Calgary's rent increases were modest compared to other centres. For the second year in succession, Edmonton's increase was the highest across the nation, at 8.4 per cent.

Rental Stock Faces Further Declines

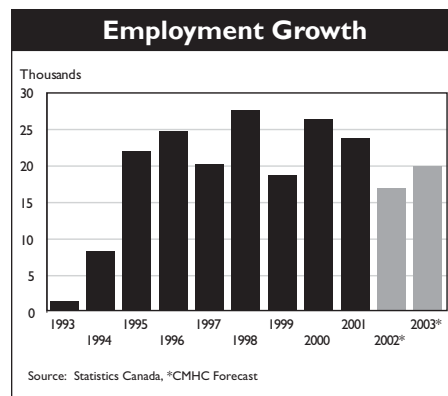
With the persistent strength of multi-family construction over the last four years, the majority of units continue to be constructed for ownership tenure (freehold or condominium). From 1998 to 2001, only 782 of the 15,397 multi-family units started were for rental tenure, just over five per cent of all multi-family activity. This year, rental construction has shown a modest improvement, with the 289 rental starts to the end of October accounting for seven per cent of all multi-family construction.

Despite recent additions to Calgary's rental universe via new construction, they were insufficient to compensate for losses through conversion from rental to condominium. Following 1,120 conversions in 2001, another 561 units were removed from the row and apartment rental stock in favor of condominiums during the 12-month period ending October 2002. At 547 units, apartments accounted for the majority of all condominium conversions.

In addition to the 561 condominium conversions, another 135 units were removed in favour of a congregate care home. Combined, these and other factors reduced the privately-initiated row and apartment rental stock to 48,448 units in October 2002, 1,430 fewer than the previous year. Since 1994, Calgary has lost over 16 per cent, or 9,532 units, of its row and apartment rental universe, the majority due to conversion to condominiums.

Impressive Job Growth Among the Lower-Earning Industries

Thanks to a bullish consumer and vibrant residential construction, overall employment in the Calgary CMA increased by an average 17,400 jobs in the first ten months of 2002. While this represents a decline of 27 per cent compared to gains during the same period in 2001, the majority of the jobs created have been full-time and among the lower-earning service sector industries. This bodes well for rental demand, as lower earning households possess a weaker capacity to generate a down payment for a home.



To the end of October, retail employment has dominated Calgary's job gains with 9,200 new positions. This represents a growth rate of four times higher than the rate of employment growth for all industries combined. The retail trade sector is also one of the lowest paying industries in the Calgary economy, second only to the accommodation and food services industry. The strong gains among lower paying sectors have come at the expense of high income job losses. The professional, scientific, and technology sector is one of Calgary's highest earning industries, yet has lost almost 5,000 jobs to the end of October.

Pace of Migration to Slow Following Healthy Surge

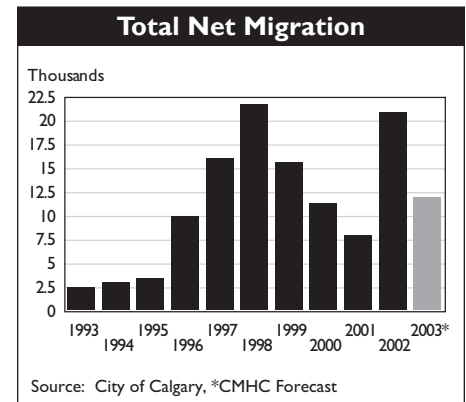
Following three consecutive years of decline, the City of Calgary has experienced an unexpected but welcomed spike in net migration. According to the latest city census figures, the City of Calgary recorded 20,962 new residents during the 12-month period ending April 30, 2002. This represents a 162 per cent increase from 2001, and the second strongest gain since 1982.

In the wake of September 11th's terrorist attacks, layoffs were experienced in a number of sectors across the country. Many turned their attention to Alberta, continuing a trend that began in 1996. With Calgary's reputation as a 'job-making machine', the city was the prime beneficiary of migrants seeking high-paying and secure employment opportunities. Unfortunately for landlords, historically low mortgage rates afforded many migrants the opportunity to purchase a home.

For the 12-month period ending April 30, 2003, we expect net migration to decline to 12,000 people. While our vibrant economy will continue to draw migrants, our magnetic power will be reduced due to modestly higher unemployment rates and weaker

HIGHLIGHTS

- Apartment vacancies in the Calgary CMA increase for first time since 1999, reaching 2.9 per cent in October 2002.
- Vacancy rates for row (town home) rentals increased to 2.1 per cent, up from 1.2 per cent in 2001.
- Following healthy gains since 1996, average rent increases were modest in 2002.
- Rents increased, on average, by 2.7 per cent for two-bedroom apartments and 1.5 per cent for two-bedroom row units.
- The rental stock dropped by 1,389 apartments and 41 row units.
- The apartment vacancy rate is forecast to fall to 2.3 per cent in October 2003, while the average two-bedroom rent is expected to advance by 4.0 per cent.



employment growth in the second half of this year. Meanwhile, with economic conditions improving in the rest of Canada, employment prospects outside of Alberta are rapidly returning. The combination of tight labour markets and improved economies elsewhere will translate into reduced net migration into the Calgary region. Exacerbating this downturn will be the continued strength of Edmonton and Fort McMurray, which will draw inter-provincial and inter-city migrants away from Calgary.

For More Information, Please Contact:

Richard Corriveau

Senior Market Analyst

Telephone: (403) 515-3005

Fax: (403) 515-3036

E-mail: rcorriveau@cmhc-schl.gc.ca

RENTAL MARKET OUTLOOK

Vacancies to Decline in 2003

Following a 2.9 per cent vacancy rate in October 2002, CMHC expects apartment vacancies will tighten slightly to 2.3 per cent in 2003. In 2002, many property owners experienced an exodus of renters into home ownership as mortgage rates were among 40-year lows. Other forces behind 2002's jump came via an indirect increase in rental supply through investors buying condominiums to rent out. With the prolonged weakness in the stock market, many turned to condominium purchases in 2002 as an alternative investment channel.

With mortgage rates rising in 2003, expect the exodus of renters into home ownership to subside. This will be further compounded by a persistent shortage of affordable resale listings, offering potential homeowners few options. Other indicators point to continued tightness in Calgary's rental market. Solid net migration among younger households will

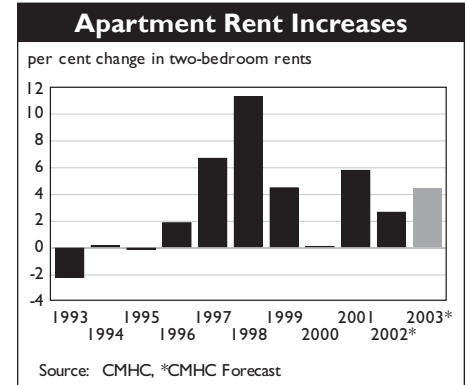
maintain rental demand, as will job creation among the lower paying sectors.

Another factor maintaining low vacancies in 2003 will be the habitual removal of units from the rental universe. Though upwards of 400 new units will be added to the rental stock over the forecast period, they will be insufficient to counter the losses through condo conversions. Though the number of conversions will likely trail the preceding five-year average, they will nonetheless outnumber new additions to the rental stock via new construction.

A more appropriate analysis would also examine the number of rental units per capita. Interestingly, Calgary has one of the lowest rental universes per capita among Canada's 26 CMAs. In 1989, there were 73 rental units per 1,000 residents in the Calgary CMA. With the continued trend of condo conversions and steady stream of new migrants, the number of rentals per 1,000 population has fallen below 50 in 2002. Given the unlikely reversal of this trend in the near future, landlords should be confident that vacancies will remain low.

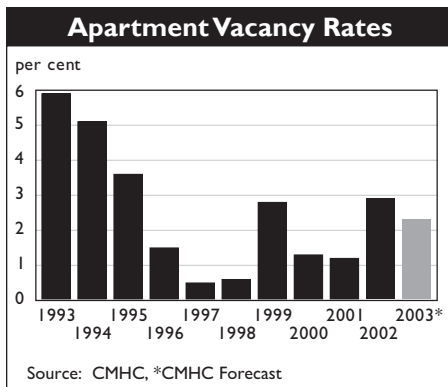
Rents to Increase over Forecast Period

With higher vacancies in 2002, the pace of rental rate increases subsided. In the face of low mortgage rates and ample selection in the new condominium market, landlords became increasingly reluctant to boost rents



hedging the risk of additional vacancies. Most landlords will be reluctant to raise rates again in 2003 for many of the same reasons. However, the expected new additions to the rental stock during the next 12 months will fail to restrict rent increases. In fact, the opposite is true, as the high costs associated with constructing new rentals will result in higher than average rents. In 2003, average rents are expected to increase by four per cent, reaching \$836 for a two-bedroom unit.

Of existing units, the majority of rent increases will be captured by structures with recent renovations and repairs. While renovating is a common instrument used to retain existing tenants and attract new ones, it is also a tool to justify raising rents. Among rent ranges, expect the highest increases to be in the lower-priced units, as vacancies are tightest in the rent ranges below \$600.



RESIDENTIAL CONSTRUCTION DIGEST

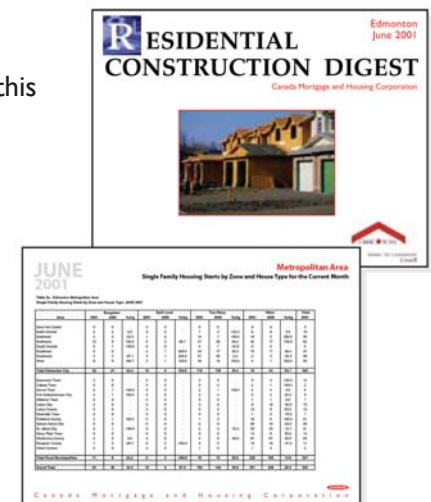
CMHC's monthly **Residential Construction Digest** delivers all the housing statistics you asked for, right down to the local market level! We have designed this product with your input, to meet your needs. You told us you wanted a detailed breakdown each month of housing statistics for single and multi-family markets, broken down by price range and by area of the city.

The Residential Construction Digest delivers!

Each month, over 60 tables reveal the housing market in great detail: Housing trends made crystal clear, to help you identify new opportunities. For added convenience each report is distributed electronically in PDF format with hotlinks allowing you to quickly get the information you need with a click of your mouse.

Each Report is Available for the
Low Annual Price of \$350.00 plus GST

To subscribe to, or receive a free sample of, the Residential Construction Digest, please call (877) 722-2642.



NATIONAL OVERVIEW

Rental Vacancies Rise

In October 2001, the overall apartment vacancy rate in Canada's census metropolitan areas (CMAs) fell to the lowest rate since 1987 when the survey first included structures of three or more units. Twelve months later, the average rental vacancy rate increased 0.6 percentage points, rising from 1.1 per cent in October 2001 to 1.7 per cent in October 2002.

In many centres, forty-year low mortgage rates combined with extremely competitive mortgage markets have pushed many renters into home ownership. As a result of this and other factors, seventeen of Canada's 26 major centres reported higher vacancy rates than in 2001. Calgary recorded the largest rate increase among CMAs, rising from 1.2 per cent in 2001 to 2.9 per cent in 2002. This was followed by a 1.6 percentage point gain in Toronto's rental market, where the vacancy rate rose to 2.5 per cent from 0.9 one year earlier. Despite a comparatively modest increase of 0.7 per cent, St. John reported the highest vacancy rate among Canada's CMAs.

Only three CMAs recorded vacancy rates below 1.0 per cent, less than half the number reported in October 2001. After enjoying the lowest vacancy rate in 2001, Victoria can no longer be hailed as the tightest rental market in the country. That distinction now belongs to the Quebec CMA, thanks to their 0.3 per cent vacancy rate. For the second year in succession, Montreal followed a close second, with a vacancy rates of 0.7 per cent. Calgary recorded the twentieth tightest rental market among Canada's 26 major centres at 2.9 per cent.

Next year, CMHC expects that October's survey will find the national apartment vacancy rate at 1.5 per cent, down marginally from 1.7 per cent in 2002. Higher mortgage rates will add to the carrying costs of home ownership, curtailing demand from renters seeking to buy their first home. This factor will be compounded by rising prices in the ownership market. Sellers' market conditions are boosting resale prices in Canada significantly, while a hectic new home market is placing upward pressure on labour and land costs.

With higher vacancies in most of Canada's major centres, average rent increases were comparatively modest compared to previous years. Rent increases were maintained at or below four per cent in the majority of markets, with the most notable exception being Edmonton. Following the highest rent

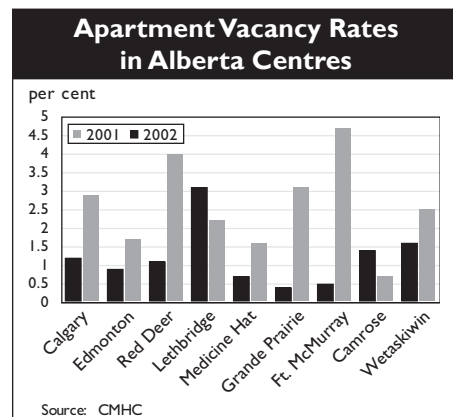
| Apartment Vacancy Rates by Census Metropolitan Area | | |
|---|------------|------------|
| Area | 2001 | 2002 |
| Abbotsford CA | ** | 2.0 |
| Calgary CMA | 1.2 | 2.9 |
| Chicoutimi-Jonquière CMA | 4.4 | 4.9 |
| Edmonton CMA | 0.9 | 1.7 |
| Halifax CMA | 2.8 | 2.7 |
| Hamilton CMA | 1.3 | 1.6 |
| Kingston CMA | ** | 0.9 |
| Kitchener CMA | 0.9 | 2.3 |
| London CMA | 1.6 | 2.0 |
| Montreal CMA | 0.6 | 0.7 |
| Oshawa CMA | 1.3 | 2.3 |
| Ottawa-Gatineau CMA | 0.7 | 1.6 |
| Quebec CMA | 0.8 | 0.3 |
| Regina CMA | 2.1 | 1.9 |
| St. Catharines-Niagara CMA | 1.9 | 2.4 |
| Saint John CMA | 5.6 | 6.3 |
| St. John's CMA | 2.5 | 2.7 |
| Saskatoon CMA | 2.9 | 3.7 |
| Sherbrooke CMA | 2.3 | 1.8 |
| Sudbury CMA | 5.7 | 5.1 |
| Thunder Bay CMA | 5.8 | 4.7 |
| Toronto CMA | 0.9 | 2.5 |
| Trois-Rivieres CMA | 4.7 | 3.0 |
| Vancouver CMA | 1.0 | 1.4 |
| Victoria CMA | 0.5 | 1.5 |
| Windsor CMA | 2.9 | 3.9 |
| Winnipeg CMA | 1.4 | 1.2 |
| CANADA | 1.1 | 1.7 |

increase of 8.8 per cent in 2001, Edmonton saw average rents for a two-bedroom apartment advance another 8.4 per cent in 2002. The next highest increase was in Halifax at 4.6 per cent, followed by Montreal at 4.4 per cent. No Canadian CMA reported lower rents than the previous year, though average rents were unchanged in Thunder Bay at \$657 per month.

With the exception of Montreal, the highest average rental costs among CMAs continue to be in Canada's largest centres. The highest monthly rents for a two-bedroom apartment were in Toronto (\$1,047) and Vancouver (\$954). At \$804 per month, Calgary ranked fifth among Canada's major centres. Given Edmonton's recent gains, their average rents are quickly catching Calgary's. As recently as

| Average Two-Bedroom Apartment Rents by Census Metropolitan Area | | |
|---|------------|------------|
| Area | 2001 | 2002 |
| Abbotsford CA | ** | 650 |
| Calgary CMA | 783 | 804 |
| Chicoutimi-Jonquière CMA | 439 | 440 |
| Edmonton CMA | 654 | 709 |
| Halifax CMA | 673 | 704 |
| Hamilton CMA | 740 | 765 |
| Kingston CMA | ** | 727 |
| Kitchener CMA | 722 | 750 |
| London CMA | 683 | 705 |
| Montreal CMA | 529 | 552 |
| Oshawa CMA | 799 | 819 |
| Ottawa-Gatineau CMA | 914 | 930 |
| Quebec CMA | 538 | 550 |
| Regina CMA | 568 | 581 |
| St. Catharines-Niagara CMA | 680 | 695 |
| Saint John CMA | 483 | 492 |
| St. John's CMA | 575 | 589 |
| Saskatoon CMA | 558 | 567 |
| Sherbrooke CMA | 446 | 456 |
| Sudbury CMA | 620 | 647 |
| Thunder Bay CMA | 657 | 657 |
| Toronto CMA | 1027 | 1047 |
| Trois-Rivieres CMA | 419 | 431 |
| Vancouver CMA | 919 | 954 |
| Victoria CMA | 751 | 771 |
| Windsor CMA | 738 | 769 |
| Winnipeg CMA | 605 | 622 |

1999, average rents in Edmonton were 22 per cent lower than Calgary's. In 2002, the shortfall narrowed to just over 10 per cent.



CALGARY RENTAL MARKET SURVEY

Apartment Vacancies Up in All Sectors But One

Following a 0.1 percentage point decline to 1.2 per cent in 2001, our October 2002 survey shows the apartment vacancy rate in Calgary jumped to 2.9 per cent, its highest level since 1995. Of the 43,167 privately-initiated apartment rental units, a total of 1,233 were vacant and available for immediate occupancy in October 2002. Two-bedroom suites, which account for 41 per cent of the apartment rental universe, experienced the sharpest rise in vacancies, up 1.9 percentage points to 3.2 per cent. Two-bedroom suites also had the highest vacancy rate among bedroom types. Meanwhile, three-bedroom plus apartments had the lowest rate among all bedroom types at 2.3 per cent, and also recorded the lowest rate increase over the previous year.

Many factors contributed to the increased vacancy rate over the past year. Foremost among them are historically low mortgage rates, which have reduced the carrying cost of home ownership. This encouraged many households to make the switch from renting to buying a home. Other forces came via an indirect increase in the rental supply as investors buy condominiums to rent out. With the prolonged weakness in the stock market, many investors are turning toward the condominium market as an alternative investment vehicle. Anecdotally, up to 25 per cent of condominiums are purchased by investors with this intent in mind.

Apartment vacancies increased in all but one sector comprising the Calgary CMA. The largest rate increase occurred in the Chinook sector (Zone 8), with vacancies rising from 0.6 per cent in 2001 to a CMA high of 3.9 per cent in 2002. This represents a significant departure from previous years, as the Chinook zone has consistently been the tightest market since 1995. Chinook's gain was followed by the Southwest (Zone 4) and Fish Creek (Zone 9) sectors, where the vacancy rates increased by 2.5 and 1.9 percentage points, respectively. Outside of City limits (Zone 10), vacancies increased to 3.0 per cent in 2002, up from 1.3 one year earlier.

The Southeast (Zone 5) was the only zone to record a drop in vacancies in 2002, falling from 2.5 per cent in 2001 to 1.6 per cent in 2002. Plagued with the highest vacancy rate among zones since 1997, landlords in the Southeast opted not to raise average rents in 2002 in an effort to tighten vacancies. Among zones

recording increases to their vacancy rate in 2002, the one percentage point gains in the Downtown (Zone 1) and Northwest (Zone 6) sectors were the weakest.

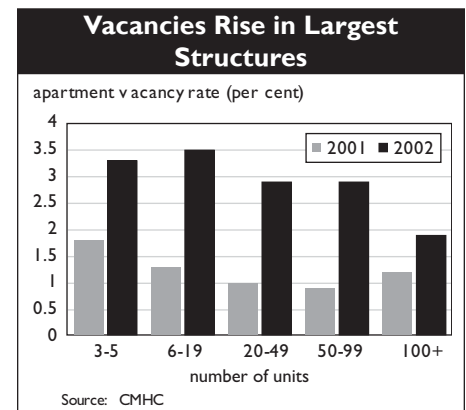
Comparing apartment buildings by size, it appears that on average, structures with 100 or more units recorded the smallest increases to their vacancy rates. At 1.9 per cent, vacancy rates continue to be lowest among the larger structures of 100 or more units. Structures with three to five and six to 19 units experienced the highest rates of vacancy, at 3.3 and 3.5 per cent, respectively. In structures from 20 to 99 units, vacancies averaged 2.9 per cent.

Rent Increases Moderate in 2002

Following severe upward pressure on average rents in 2001, rent increases were comparatively modest this year. In 2001, property owners were forced to raise rents by 5.9 per cent, on average, as heightened natural gas prices added to their operating expenses. Though the provincial government provided property owners with a \$6 per gigajoule (GJ) natural gas rebate from January 1 to April 30, 2001, it was insufficient to cover the overall spike in operating expenses.

In 2002, tenants saw their average rents rise by under two per cent, reaching \$716 per month for all units. Despite a continued focus on renovations, landlords became increasingly reluctant to boost rents in order to hedge the risk of higher vacancies. In the face of persistently low mortgage rates, landlords wanted to remove any incentive for their tenants to consider home ownership. Another factor curbing rent increases in 2002 was the lack of pressure from rising energy costs.

Average apartment rents increased in six of the ten zones comprising the Calgary CMA. Two recorded declines while two others saw their rents unchanged. Of those reporting increases, the largest hike occurred in North Hill (Zone 3) and Southwest (Zone 4) zones, both rising by 3.9 per cent. Interestingly, the Southwest is the zone that recorded the highest increase to their vacancy rate over 2001. Among City sectors recording declines in their average rental rate, Downtown (Zone 1) reported the only drop, falling from \$723 in 2001 to \$707 in October 2002. The only other zone within the CMA to record a rental decline was in the



municipalities outside of City limits (Zone 10), also down \$16 per month.

Three-bedroom plus units captured the strongest rent increases of \$26 per month, on average. In percentage terms, bachelor suites recorded the highest gain, as the \$513 average rental rate was 4.3 per cent higher than the previous year. Interestingly, bachelor and three-bedroom plus units account for relatively little of the rental market universe, holding only nine per cent of the apartment rental stock. Rent increases were more subdued among one- and two-bedroom units, which account for the majority of rental apartments. Following a 6.2 per cent jump in 2001, one-bedroom units increased 1.2 per cent in 2002, or by \$8 to \$657 per month. Meanwhile, after a 5.8 per cent gain last year, two-bedroom apartments rents increased 2.7 per cent, reaching \$804 per month in 2002.

Survey of Publicly-Financed Units

CMHC's survey of publicly-funded rental units reported no change in vacancies in 2002. An overall vacancy rate of 0.6 per cent was found in October 2002, the same rate reported one year earlier. Of the 11,171 units in the universe, 65 were vacant at the time of the survey. As with privately-initiated rentals, the total supply of publicly-initiated units also declined. In 2002, the total supply fell by 70 units to a total of 11,171.

Vacancies of publicly-initiated row units fell from 0.5 per cent in 2001 to 0.3 per cent in 2002. Meanwhile, apartment units, which account for 61 per cent of the publicly-initiated rental stock, saw their vacancy rate increase marginally to 0.7 per cent from 0.6 per cent in 2001.

Row Vacancies Record Increase

Vacancy rates in Calgary's rental town-homes increased in 2002, from 1.2 per cent as reported in CMHC's October 2001 survey to 2.6 per cent this year. Across the entire CMA, the number of vacant privately-initiated row units totalled 138 in October 2002, out of an overall universe of 5,281 units. The increase in vacancies represents 74 additional vacant units over the previous year.

All survey zones recorded higher vacancy rates compared to 2001. The Southeast (Zone 5) recorded the largest jump in row vacancies, climbing from one per cent in 2001 to 5.4 per cent in 2002. This sector also held the highest vacancy rate among the 10 zones comprising the CMA. The next largest gain was in Chinook (Zone 8), where the vacancy rate jumped from a low of 0.0 per cent in 2001 to 3.7 per cent in 2002. Meanwhile, following the second largest gain in 2001, the Southwest (Zone 4) recorded the smallest increase in row vacancies in 2002. Thanks to a significant drop in one-bedroom vacancies, the overall vacancy rate in the Southwest increased only 0.1 percentage point, to 1.9 per cent in 2002 from 1.8 per cent in 2001.

Among bedroom types, two-bedroom row units reported the largest increase in vacancies, jumping from 1.2 per cent in 2001 to 3.2 per cent in 2002. Two-bedroom suites, which also account for 51 per cent of all row rentals, reported the highest vacancy rate among row units. One-bedroom suites recorded the only decline in vacancies in 2002, falling from 4.0 per cent in 2001 to 0.6 per cent in 2002.

However, they only represent three per cent of the overall row rental universe.

Unlike the apartment universe, which continues to be plagued with conversions to condominium, the removal of row units in the rental stock via conversion was minimal in the 12-month period ending in October. Following 223 removals from the row rental stock as a result of conversion to condominium units in 2001, only four were converted to condominium in 2002. While this pales in comparison to the previous year's 223 conversions, it must be noted that 350 units were converted in 2000 and 468 in 1999. Each and every year, the quality of row units suitable for conversion diminishes, hence the decline.

In an effort to maintain low vacancies, row-unit landlords were also reluctant to raise rents in 2002. Following a hefty 6.1 per cent gain in 2001, average row rents for all bedroom types recorded a modest 1.2 per cent increase over 2001, up \$10 to average \$814 per month. Both two- and three-bedroom plus units increased, on average, by 1.5 per cent between October 2001 and October 2002, reaching \$793 and \$856 per month, respectively. Average one-bedroom row rents did not increase in 2002.

Across zones, the largest row rental rate increases occurred in the Chinook (Zone 8) and Southwest (Zone 4) sectors, at \$32 and \$23 per month, respectively. Meanwhile, the Northwest (Zone 6) recorded a \$2 decline in average rent from the previous year.

Methodology

Canada Mortgage and Housing Corporation conducts the Rental Market Survey every year in October to determine the number of vacancies and the rents charged in rental structures. The survey is conducted on a sample basis in all urban areas with populations of 10,000 or more. Only structures which have been on the market for at least three months are included. While this publication focuses on privately-initiated apartments with three units and more, CMHC also examines row houses and publicly-initiated rental and co-op housing. The survey is conducted by telephone or a site visit, and rent information is obtained from the owner, manager, or building superintendent. The survey is conducted in the first two weeks of October and these results reflect market conditions at that time.

Definitions

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

Rent: The rent data refers to the actual amount tenants pay for their unit. Amenities and services such as heat, light, parking, hot water, and laundry facilities may or may not be included in the monthly rent reported in individual cases. The average rent figures reported in this publication represent the average of different units in the market area, some of which may have none, some, or all of these services.

Rental Apartment Structure: Any building containing three or more rental dwellings which are not ground oriented.

Rental Row House Structure: Any building with three or more ground-oriented rental dwellings.

Zones

The survey zones in this publication are identified on page 7.

Sampling

For the October 2002 survey, CMHC surveyed a total of 27,158 of the 43,167 apartment units in the privately-initiated Calgary universe for a sampling fraction of 63 per cent. CMHC also surveyed 5,191 of the 5,281 row units for a sampling fraction of 98 per cent.

NEED MORE INFORMATION? RENTAL MARKET SUPPLEMENT TABLES

Get detailed data...

- vacancy rates by structure size, year of completion, number of storeys and rent range
- rental rates by structure size, year of completion and number of storeys
- vacant units and total universe by structure size, year of completion, number of storeys and rent range

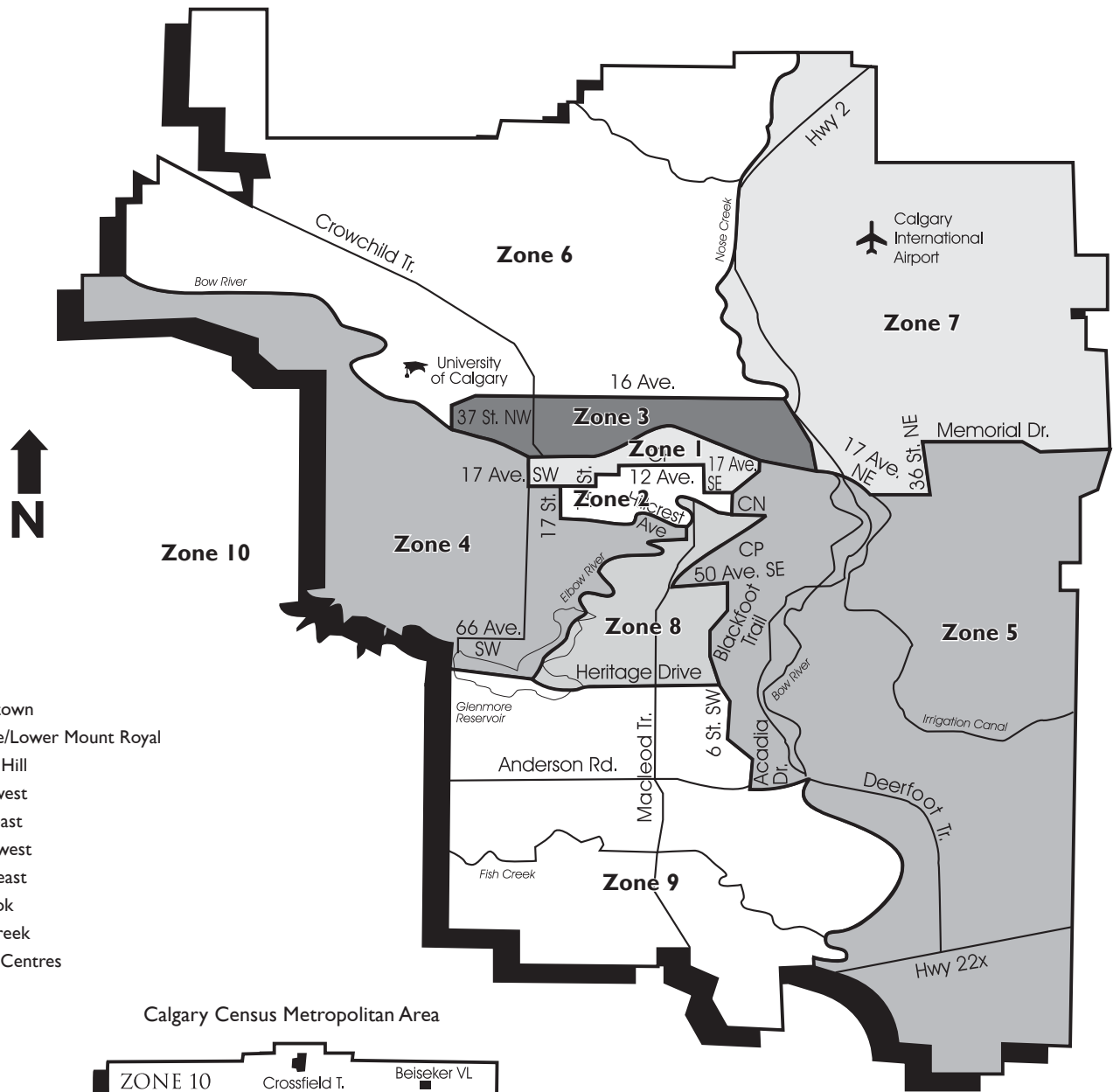
...and more!

For more information, please call (877) 722-2648

The information, analysis and opinions contained in this publication are based on various sources believed to be reliable, but their accuracy cannot be guaranteed. The information, analysis and opinions shall not be taken as representations for which CMHC or any of its employees shall incur responsibility.

RENTAL MARKET REPORT is published by Canada Mortgage and Housing Corporation. Duplication of this report in whole or in part is strictly prohibited without permission of the authors and/or the Corporation. © 2002 All rights reserved

Calgary Metropolitan Area — Vacancy Survey Zones



1. Downtown
2. Beltline/Lower Mount Royal
3. North Hill
4. Southwest
5. Southeast
6. Northwest
7. Northeast
8. Chinook
9. Fish Creek
10. Other Centres

Calgary Census Metropolitan Area

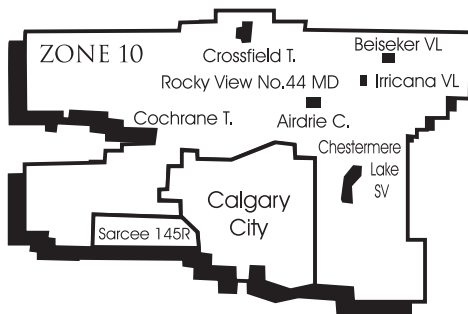


Table 1. Historical Apartment Vacancy Rates

| APARTMENT VACANCY RATES BY ZONE October 1995 To October 2002 — Calgary | | | | | | | | |
|--|------------|------------|------------|------------|------------|------------|------------|------------|
| Area | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
| Zone 1 - Downtown | 5.1 | 1.6 | 1.2 | 0.8 | 6.4 | 1.5 | 1.7 | 2.7 |
| Zone 2 - Beltline | 3.7 | 1.4 | 0.6 | 0.7 | 2.3 | 1.4 | 0.9 | 2.7 |
| Zone 3 - North Hill | 3.0 | 1.5 | 0.4 | 0.4 | 2.4 | 0.8 | 0.8 | 2 |
| Zone 4 - Southwest | 4.1 | 1.8 | 0.5 | 0.5 | 1.9 | 0.8 | 1.1 | 3.6 |
| Zone 5 - Southeast | 6.0 | 3.1 | 0.5 | 1.6 | 3.4 | 2.8 | 2.5 | 1.6 |
| Zone 6 - Northwest | 1.4 | 0.6 | 0.3 | 0.5 | 2.3 | 0.8 | 1.4 | 2.4 |
| Zone 7 - Northeast | 4.3 | 2.4 | 0.6 | 0.9 | 2.6 | 1.4 | 1.2 | 3 |
| Zone 8 - Chinook | 4.4 | 1.7 | 0.3 | 0.3 | 1.7 | 0.7 | 0.6 | 3.9 |
| Zone 9 - Fish Creek | 2.8 | 1.9 | 0.1 | 0.3 | 2.0 | 1.9 | 1.5 | 3.4 |
| Zones 1 to 9 - Calgary City | 3.6 | 1.6 | 0.5 | 0.6 | 2.8 | 1.2 | 1.2 | 2.9 |
| Zone 10 - Other Centres | 3.1 | 0.2 | 0.0 | 0.4 | 2.9 | 1.8 | 1.3 | 3 |
| Calgary CMA | 3.6 | 1.5 | 0.5 | 0.6 | 2.8 | 1.3 | 1.2 | 2.9 |

Table 2. Historical Apartment Rents

| AVERAGE APARTMENT RENTS BY BEDROOM TYPE October 1995 to October 2002 — Calgary | | | | | | | | |
|--|------------|------------|------------|------------|------------|------------|-------------|------------|
| Year | Bachelor | | 1 Bedroom | | 2 Bedroom | | 3 Bedroom + | |
| | Avg. Rent | % Change | Avg. Rent | % Change | Avg. Rent | % Change | Avg. Rent | % Change |
| 1995 | 354 | 0.6 | 464 | (0.4) | 584 | -0.2 | 595 | 1.4 |
| 1996 | 367 | 3.7 | 473 | 1.9 | 595 | 1.9 | 602 | 1.2 |
| 1997 | 387 | 5.4 | 511 | 8.0 | 635 | 6.7 | 630 | 4.7 |
| 1998 | 431 | 11.3 | 574 | 12.3 | 707 | 11.3 | 682 | 8.3 |
| 1999 | 453 | 5.1 | 600 | 4.5 | 739 | 4.5 | 704 | 3.2 |
| 2000 | 474 | 4.6 | 611 | 1.8 | 740 | 0.1 | 713 | 1.3 |
| 2001 | 492 | 3.8 | 649 | 6.2 | 783 | 5.8 | 751 | 5.3 |
| 2002 | 513 | 4.3 | 657 | 1.2 | 804 | 2.7 | 777 | 3.5 |

** Data Not Available N/U Not in Universe N/A Not Applicable



HOUSING NOW

Monthly HOUSING NOW CMA reports include topical analysis of economic and demographic developments affecting local housing markets and statistics for starts, completions, under construction, absorptions and supply by tenure. This concise report will give you a monthly analysis of the latest local data.

Call CMHC Market Analysis
(403) 515-3006

Table 3. Apartment Vacancy Rates

| APARTMENT VACANCY RATES BY ZONE AND BEDROOM TYPE | | | | | | | | | | |
|---|------------|------------|------------|------------|------------|------------|-------------|------------|------------|------------|
| Calgary | | | | | | | | | | |
| Area | Bachelor | | 1 Bedroom | | 2 Bedroom | | 3 Bedroom + | | All Units | |
| | 2001 | 2002 | 2001 | 2002 | 2001 | 2002 | 2001 | 2002 | 2001 | 2002 |
| Zone 1 - Downtown | ** | ** | 1.8 | 2.7 | 1.6 | 2.5 | ** | ** | 1.7 | 2.7 |
| Zone 2 - Beltline | 1.1 | 2.9 | 0.9 | 2.9 | 1.0 | 2.4 | ** | ** | 0.9 | 2.7 |
| Zone 3 - North Hill | ** | ** | 0.4 | 1.4 | 1.3 | 3.3 | ** | ** | 0.8 | 2.0 |
| Zone 4 - Southwest | ** | 4.9 | 1.1 | 3.6 | 0.8 | 3.4 | 2.4 | 3.9 | 1.1 | 3.6 |
| Zone 5 - Southeast | ** | ** | 1.5 | 1.4 | 2.7 | 1.8 | 3.5 | 1.9 | 2.5 | 1.6 |
| Zone 6 - Northwest | ** | ** | 1.1 | 1.5 | 1.5 | 3.5 | 1.7 | 1.4 | 1.4 | 2.4 |
| Zone 7 - Northeast | ** | ** | 0.2 | ** | 1.9 | 4.3 | ** | ** | 1.2 | 3.0 |
| Zone 8 - Chinook | ** | ** | 0.5 | 4.6 | 0.8 | 3.0 | ** | ** | 0.6 | 3.9 |
| Zone 9 - Fish Creek | ** | ** | 1.8 | 1.7 | 1.3 | 4.4 | ** | ** | 1.5 | 3.4 |
| Zones 1 to 9 - Calgary City | 1.5 | 2.9 | 1.0 | 2.6 | 1.2 | 3.2 | 1.8 | 2.2 | 1.2 | 2.9 |
| Zone 10 - Other Centres | 0.0 | ** | 0.0 | 1.8 | 1.9 | 2.8 | 1.9 | 4.2 | 1.3 | 3.0 |
| Calgary CMA | 1.5 | 2.9 | 1.0 | 2.6 | 1.3 | 3.2 | 1.8 | 2.3 | 1.2 | 2.9 |

Table 4. Average Apartment Rents

| AVERAGE APARTMENT RENTS BY ZONE AND BEDROOM TYPE | | | | | | | | | | |
|---|------------|------------|------------|------------|------------|------------|-------------|------------|------------|------------|
| Calgary | | | | | | | | | | |
| Area | Bachelor | | 1 Bedroom | | 2 Bedroom | | 3 Bedroom + | | All Units | |
| | 2001 | 2002 | 2001 | 2002 | 2001 | 2002 | 2001 | 2002 | 2001 | 2002 |
| Zone 1 - Downtown | ** | ** | 689 | 673 | 822 | 820 | ** | ** | 723 | 707 |
| Zone 2 - Beltline | 470 | 529 | 637 | 645 | 817 | 832 | ** | ** | 685 | 702 |
| Zone 3 - North Hill | ** | ** | 602 | 635 | 709 | 730 | ** | ** | 643 | 668 |
| Zone 4 - Southwest | ** | 462 | 624 | 650 | 763 | 804 | 691 | 703 | 694 | 721 |
| Zone 5 - Southeast | ** | ** | 589 | 583 | 658 | 657 | 661 | 689 | 629 | 629 |
| Zone 6 - Northwest | ** | ** | 659 | 657 | 787 | 790 | 774 | 757 | 726 | 726 |
| Zone 7 - Northeast | ** | ** | 634 | ** | 733 | 765 | ** | ** | 699 | 722 |
| Zone 8 - Chinook | ** | ** | 658 | 666 | 773 | 794 | ** | ** | 710 | 726 |
| Zone 9 - Fish Creek | ** | ** | 738 | 747 | 846 | 868 | ** | ** | 801 | 822 |
| Zones 1 to 9 - Calgary City | 492 | 514 | 649 | 657 | 784 | 805 | 753 | 779 | 702 | 717 |
| Zone 10 - Other Centres | 450 | ** | 625 | 607 | 739 | 713 | 677 | 711 | 687 | 671 |
| Calgary CMA | 492 | 513 | 649 | 657 | 783 | 804 | 751 | 777 | 702 | 716 |

** Data Not Available NIU Not in Universe N/A Not Applicable

Table 5. Number of Apartment Units

| VACANT AND TOTAL UNIVERSE BY ZONE AND BEDROOM TYPE | | | | | | | | | | |
|---|-----------|--------------|------------|---------------|------------|---------------|-------------|--------------|-------------|---------------|
| Calgary | | | | | | | | | | |
| Area | Bachelor | | 1 Bedroom | | 2 Bedroom | | 3 Bedroom + | | All Units | |
| | Vacant | Total | Vacant | Total | Vacant | Total | Vacant | Total | Vacant | Total |
| Zone 1 - Downtown | ** | ** | 91 | 3,361 | 39 | 1,558 | ** | ** | 145 | 5,319 |
| Zone 2 - Beltline | 25 | 867 | 210 | 7,206 | 99 | 4,073 | ** | ** | 334 | 12,244 |
| Zone 3 - North Hill | ** | ** | 36 | 2,521 | 48 | 1,483 | ** | ** | 86 | 4,357 |
| Zone 4 - Southwest | 10 | 200 | 86 | 2,378 | 96 | 2,826 | 14 | 365 | 206 | 5,769 |
| Zone 5 - Southeast | ** | ** | 5 | 386 | 10 | 536 | 4 | 228 | 19 | 1,222 |
| Zone 6 - Northwest | ** | ** | 31 | 2,118 | 82 | 2,312 | 7 | 516 | 120 | 5,020 |
| Zone 7 - Northeast | ** | ** | ** | ** | 42 | 979 | ** | ** | 53 | 1,751 |
| Zone 8 - Chinook | ** | ** | 74 | 1,604 | 43 | 1,428 | ** | ** | 122 | 3,110 |
| Zone 9 - Fish Creek | ** | ** | 22 | 1,284 | 99 | 2,247 | ** | ** | 135 | 3,935 |
| Zones 1 to 9 - Calgary City | 56 | 1,938 | 565 | 21,509 | 559 | 17,443 | 41 | 1,836 | 1220 | 42,727 |
| Zone 10 - Other Centres | ** | ** | 2 | 111 | 7 | 254 | 2 | 52 | 13 | 440 |
| Calgary CMA | 58 | 1,961 | 567 | 21,620 | 566 | 17,697 | 43 | 1,889 | 1233 | 43,167 |

Table 6. Historical Row Vacancy Rates

| ROW VACANCY RATES BY ZONE | | | | | | | | |
|---|------------|------------|------------|------------|------------|------------|------------|------------|
| October 1995 to October 2002 — Calgary | | | | | | | | |
| Area | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
| Zone 1 - Downtown | ** | ** | ** | ** | ** | ** | ** | ** |
| Zone 2 - Beltline | ** | ** | ** | ** | ** | ** | ** | ** |
| Zone 3 - North Hill | 0.0 | 0.0 | ** | 0.0 | ** | 0.0 | ** | ** |
| Zone 4 - Southwest | 3.7 | 1.5 | 0.2 | 0.5 | 1.6 | 1.0 | 1.8 | 1.9 |
| Zone 5 - Southeast | 8.5 | 1.5 | 0.3 | 1.0 | 1.5 | 2.8 | 1.0 | 5.4 |
| Zone 6 - Northwest | 2.9 | 0.8 | 0.5 | 0.5 | 2.5 | 1.2 | 1.2 | 2.5 |
| Zone 7 - Northeast | 2.5 | 1.9 | 0.3 | 0.3 | 2.7 | 0.6 | 0.8 | 1.0 |
| Zone 8 - Chinook | ** | ** | ** | ** | 3.7 | 0.0 | 0.0 | 3.7 |
| Zone 9 - Fish Creek | 2.9 | 1.5 | 0.4 | 0.6 | 1.4 | 0.7 | 1.6 | 3.0 |
| Zones 1 to 9 - Calgary City | 3.4 | 1.4 | 0.3 | 0.5 | 2.0 | 1.1 | 1.2 | 2.6 |
| Zone 10 - Other Centres | ** | ** | ** | ** | ** | ** | ** | ** |
| Calgary CMA | 3.4 | 1.4 | 0.3 | 0.5 | 2.0 | 1.1 | 1.2 | 2.1 |

** Data Not Available N/U Not in Universe N/A Not Applicable

Table 7. Historical Row Rents

| AVERAGE ROW RENTS BY BEDROOM TYPE October 1995 to October 2002 — Calgary | | | | | | | | |
|---|-----------|------------|------------|------------|------------|------------|-------------|------------|
| Year | Bachelor | | 1 Bedroom | | 2 Bedroom | | 3 Bedroom + | |
| | Avg. Rent | % Change | Avg. Rent | % Change | Avg. Rent | % Change | Avg. Rent | % Change |
| 1995 | 335 | N/A | 471 | -3.1 | 585 | 0.9 | 646 | 2.9 |
| 1996 | 327 | -2.4 | 455 | -3.4 | 595 | 1.7 | 645 | -0.2 |
| 1997 | 324 | -0.9 | 505 | 11.0 | 643 | 8.1 | 689 | 5.4 |
| 1998 | 366 | 13.0 | 521 | 3.2 | 726 | 13.0 | 772 | 12.0 |
| 1999 | 423 | 15.6 | 537 | 3.1 | 727 | 0.1 | 788 | 2.1 |
| 2000 | 389 | -8.0 | 546 | 1.7 | 733 | 0.8 | 801 | 1.6 |
| 2001 | ** | N/A | 615 | 12.6 | 781 | 6.5 | 843 | 5.2 |
| 2002 | ** | N/A | 615 | 0.0 | 793 | 1.5 | 856 | 1.5 |

Table 8. Row Vacancy Rates

| ROW VACANCY RATES BY ZONE AND BEDROOM TYPE Calgary | | | | | | | | | | |
|---|-----------|-----------|-----------|------------|------------|------------|-------------|------------|------------|------------|
| Area | Bachelor | | 1 Bedroom | | 2 Bedroom | | 3 Bedroom + | | All Units | |
| | 2001 | 2002 | 2001 | 2002 | 2001 | 2002 | 2001 | 2002 | 2001 | 2002 |
| Zone 1 - Downtown | N/U | N/U | N/U | N/U | ** | ** | N/U | N/U | ** | ** |
| Zone 2 - Beltline | N/U | N/U | N/U | N/U | ** | ** | N/U | N/U | ** | ** |
| Zone 3 - North Hill | N/A | N/A | ** | ** | ** | ** | ** | ** | ** | ** |
| Zone 4 - Southwest | ** | ** | 3.8 | 0 | 2.2 | 2.1 | 0.9 | 1.9 | 1.8 | 1.9 |
| Zone 5 - Southeast | N/U | N/U | ** | ** | 0.7 | ** | 1.2 | 6.3 | 1 | 5.4 |
| Zone 6 - Northwest | N/U | N/U | 3.9 | 1.5 | 0.6 | 3.7 | 1.7 | 1.3 | 1.2 | 2.5 |
| Zone 7 - Northeast | N/U | N/U | ** | ** | 0.7 | 1.3 | 0.8 | 0.8 | 0.8 | 1 |
| Zone 8 - Chinook | N/U | N/U | N/U | N/U | ** | ** | ** | ** | 0 | 3.7 |
| Zone 9 - Fish Creek | ** | ** | ** | ** | 1.9 | 4.3 | 0.3 | 0.8 | 1.6 | 3 |
| Zones 1 to 9 - Calgary City | ** | ** | 4.1 | 0.6 | 1.2 | 3.3 | 1 | 2.1 | 1.2 | 2.6 |
| Zone 10 - Other Centres | N/U | N/U | ** | ** | ** | ** | N/U | N/U | ** | ** |
| Calgary CMA | ** | ** | 4 | 0.6 | 1.2 | 3.2 | 1 | 2.1 | 1.2 | 2.6 |

** Data Not Available N/U Not in Universe N/A Not Applicable



KEEP ON TOP OF THE HOUSING MARKET

CMHC's **Market Analysis Centre** is your best source of Canadian housing analysis and information - information you need for confident business planning and informed decision making. Our knowledge of local housing conditions is backed up by comprehensive surveys and an extensive market intelligence network. Whatever your housing market information needs, we provide the statistics, analysis and forecasts you can rely on.

To find out more about our product line and customized data services call **(403) 515-3006**

Table 9. Average Row Rents

| AVERAGE ROW RENTS BY ZONE AND BEDROOM TYPE | | | | | | | | | | |
|---|-----------|-----------|------------|------------|------------|------------|-------------|------------|------------|------------|
| Calgary | | | | | | | | | | |
| Area | Bachelor | | 1 Bedroom | | 2 Bedroom | | 3 Bedroom + | | All Units | |
| | 2001 | 2002 | 2001 | 2002 | 2001 | 2002 | 2001 | 2002 | 2001 | 2002 |
| Zone 1 - Downtown | N/U | N/U | N/U | N/U | ** | ** | N/U | N/U | ** | ** |
| Zone 2 - Beltline | N/U | N/U | N/U | N/U | ** | ** | N/U | N/U | ** | ** |
| Zone 3 - North Hill | N/A | N/A | ** | ** | ** | ** | ** | N/A | ** | ** |
| Zone 4 - Southwest | ** | ** | 485 | 540 | 769 | 785 | 808 | 835 | 767 | 790 |
| Zone 5 - Southeast | N/U | N/U | ** | ** | 722 | ** | 759 | 772 | 737 | 750 |
| Zone 6 - Northwest | N/U | N/U | 615 | 590 | 800 | 800 | 878 | 885 | 829 | 827 |
| Zone 7 - Northeast | N/U | N/U | ** | ** | 765 | 780 | 861 | 872 | 817 | 827 |
| Zone 8 - Chinook | N/U | N/U | N/U | N/U | ** | ** | ** | ** | 753 | 785 |
| Zone 9 - Fish Creek | ** | ** | ** | ** | 811 | 825 | 853 | 875 | 825 | 843 |
| Zones 1 to 9 - Calgary City | ** | ** | 621 | 620 | 781 | 794 | 843 | 856 | 804 | 814 |
| Zone 10 - Other Centres | N/U | N/U | ** | ** | ** | ** | N/U | N/U | ** | ** |
| Calgary CMA | ** | ** | 615 | 615 | 781 | 793 | 843 | 856 | 804 | 814 |

Table 10. Number of Row Units

| VACANT AND TOTAL UNIVERSE BY ZONE AND BEDROOM TYPE | | | | | | | | | | |
|---|-----------|-----------|-----------|------------|-----------|--------------|-------------|--------------|------------|--------------|
| Calgary | | | | | | | | | | |
| Area | Bachelor | | 1 Bedroom | | 2 Bedroom | | 3 Bedroom + | | All Units | |
| | Vacant | Total | Vacant | Total | Vacant | Total | Vacant | Total | Vacant | Total |
| Zone 1 - Downtown | N/U | N/U | N/U | N/U | ** | ** | N/U | N/U | ** | ** |
| Zone 2 - Beltline | N/U | N/U | N/U | N/U | ** | ** | N/U | N/U | ** | ** |
| Zone 3 - North Hill | 0 | 0 | ** | ** | ** | ** | ** | ** | ** | ** |
| Zone 4 - Southwest | ** | ** | 0 | 34 | 7 | 348 | 4 | 215 | 11 | 600 |
| Zone 5 - Southeast | N/U | N/U | ** | ** | ** | ** | 26 | 415 | 39 | 725 |
| Zone 6 - Northwest | N/U | N/U | 1 | 66 | 26 | 708 | 8 | 622 | 35 | 1,395 |
| Zone 7 - Northeast | N/U | N/U | ** | ** | 7 | 553 | 6 | 765 | 13 | 1,324 |
| Zone 8 - Chinook | N/U | N/U | N/U | N/U | ** | ** | ** | ** | 2 | 54 |
| Zone 9 - Fish Creek | ** | ** | ** | ** | 31 | 720 | 3 | 361 | 34 | 1,118 |
| Zones 1 to 9 - Calgary City | ** | ** | 1 | 170 | 87 | 2,675 | 50 | 2,412 | 138 | 5,262 |
| Zone 10 - Other Centres | N/U | N/U | ** | ** | ** | ** | N/U | N/U | ** | ** |
| Calgary CMA | ** | ** | 1 | 175 | 87 | 2,689 | 50 | 2,412 | 138 | 5,281 |

** Data Not Available N/U Not in Universe N/A Not Applicable

© 2002 Canada Mortgage and Housing Corporation. All rights reserved. No portion of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, mechanical, electronic, photocopying, recording or otherwise without the prior written permission

of Canada Mortgage and Housing Corporation. Without limiting the generality of the foregoing, no portion of this publication may be translated from English into any other language without the prior written permission of Canada Mortgage and Housing Corporation. The information, analyses and opinions

contained in this publication are based on various sources believed reliable, but their accuracy cannot be guaranteed. The information, analyses and opinions shall not be taken as representations for which Canada Mortgage and Housing Corporation or any of its employees shall incur responsibilities.