

# R

# ENTAL MARKET

# REPORT

Canada Mortgage and Housing Corporation  
www.cmhc.ca

## Apartment Vacancies Post Marginal Decline

In the Calgary Census Metropolitan Area (CMA), average apartment rents in 2004 declined for the first time in over 10 years. Combined with generous rental incentives and a 909-unit decrease in the apartment rental universe, the modest rent reductions prevented a further escalation in vacancies. After climbing to the highest rate since 1994, Calgary's apartment vacancy rate recorded a marginal decline from 4.4 per cent in October 2003 to 4.3 per cent in 2004. One-bedroom apartment units reported the largest decline in vacancies, falling from 3.9 per cent in 2003 to 3.4 per cent in 2004.

Out of every one thousand privately-initiated rental apartment units, the overall vacancy rate translates into 43 units available for rent and immediate occupancy at the time of the survey. CMHC's survey found 1,808 vacant privately-owned apartments in the Calgary CMA, 100 fewer than the 1,908 vacant units reported in October of 2003. While Calgary's vacancy rate was seventh highest among the 28 CMAs in Canada, it was also one of only seven centres to record a year-over-year decline.

Despite the decline in vacancies, Calgary's apartment vacancy rate remained near its highest level since 1994, second only to 2003's rate of 4.4 per cent. As was the case in 2003, low mortgage rates continued to be a factor causing higher vacancies, fuelling another wave of first-time buying activity. At the same time, a 12-year low of net migration in 2004 reduced the number of replacement households who typically backfill those leaving rental in favour of home ownership.

Overall rents declined from the previous year, albeit by a small amount. Following a one per cent increase in 2003 to \$721 per month, tenants saw their average apartment rent slip by a similar margin in the 12-month period ending October 2004, reaching \$716. Following the largest rent increase among units in 2003, three-bedroom suites recorded the strongest decline in average rents in 2004, down three per cent to \$766 per month. During the same time, one-bedroom suites recorded a one per cent decline in rents. Bachelor units, on the other hand, reported a one per cent increase in rents, the largest gain among bedroom types. However, at only four per

## CALGARY 2004

### IN THIS ISSUE:

#### ANALYSIS

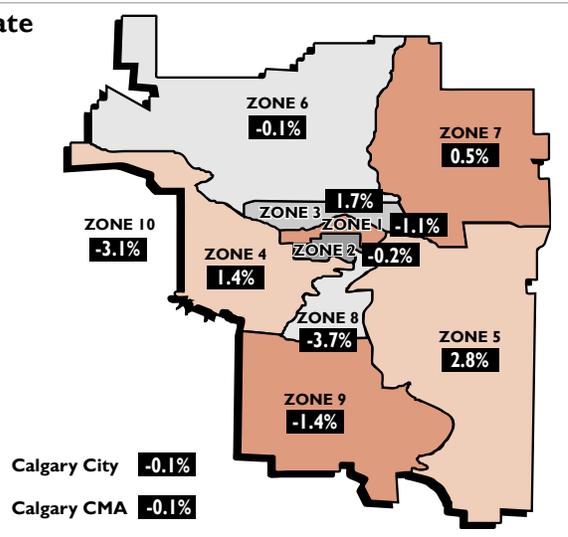
- 3 Rental Market Outlook**  
Expect a Modest Improvement in 2005
- 3 Highlights**
- 4 National Overview**  
National Apartment Vacancy Rate Rises
- 5 Calgary Rental Market Survey**  
Apartment Vacancies Up in Most Sectors
- 7 Vacancy Survey Zone Map**
- 13 Methodology**

#### STATISTICAL TABLES

- 8 Historical Apartment Vacancy Rates**  
By Zone
- 8 Historical Apartment Rents**  
By Bedroom Type
- 9 Apartment Vacancy Rates**  
By Zone and Bedroom Type
- 9 Apartment Availability and Vacancy Rates**  
By Zone and Bedroom Type
- 10 Average Apartment Rents**  
By Zone and Bedroom Type
- 10 Number of Apartment Units**  
By Zone and Bedroom Type
- 11 Historical Row Vacancy Rates**  
By Zone
- 11 Historical Row Rents**  
By Bedroom Type
- 12 Row Vacancy Rates**  
By Zone and Bedroom Type
- 12 Average Row Rents**  
By Zone and Bedroom Type
- 13 Number of Row Units**  
By Zone and Bedroom Type

### Apartment Vacancy Rate Change by Sector

October 2004 vs. October 2003	
Zone 1	-1.1
Zone 2	-0.2
Zone 3	1.7
Zone 4	1.4
Zone 5	2.8
Zone 6	-0.1
Zone 7	0.5
Zone 8	-3.7
Zone 9	-1.4
Calgary City	-0.1
Zone 10	-3.1
Calgary CMA	-0.1



cent of the apartment universe, they represent a very small portion of Calgary's rental stock. Two-bedroom units, which account for 42 per cent of Calgary's apartment rental stock, posted a negligible change from the previous year, up only \$2 to \$806 per month.

With the exception of Windsor, Calgary recorded the lowest change in average two-bedroom rents among the CMAs in Canada. Windsor's rents did not change in 2004 as landlords tried to combat the highest vacancy rate in the country, at 8.8 per cent. The Quebec CMA, meanwhile, recorded the largest year-over-year gain at 5.1 per cent, enabled by one of the lowest vacancy rates in Canada, at 1.1 per cent.

## Decline in Rental Stock Helps Curb Rise in Calgary's Vacancy Rate

Calgary's rental market universe posted a significant drop in 2004, another contributing factor to the decline in the vacancy rate. The 2004 rental apartment universe fell by 909 units from the previous year, reaching 42,335 suites. Had this not occurred, the apartment vacancy rate would have been 6.3 per cent in 2004, assuming a constant level of demand of 40,527 rented units.

By type, the number of two-bedroom apartment suites posted the largest year-over-year decline, down 613 units from 2003. For all apartment rentals, this represents the twelfth time in the last 15 years that Calgary's rental stock has declined. Calgary's apartment rental universe is now at the lowest level since 1983, as is the stock of row rentals. The row-unit rental universe declined for the ninth consecutive year in 2004, falling 406 units since October 2003 to 4,797 suites.

The decline in Calgary's rental stock can be attributed to a significant number of conversions from rental tenure to condominium. Following 690 apartment conversions in 2003, another 970 were removed from the apartment rental stock in favour of condominiums during the 12-month period ending October 2004. This represents the highest number of apartment condominium conversions on record. The conversion of row units from rental to condominium, meanwhile,

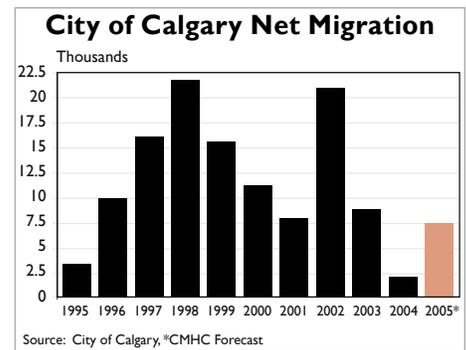
posted their highest total since 2000. During the 12-month period ending in October 2004, 317 row rental units were converted to condominium, up significantly from 84 in the previous year.

As has been the case since the mid 1980's, the conversion of suites from rental to condominium has far surpassed the number of new units completed for rental tenure. In the 12 months following 2003's rental market survey, only 246 new rental units were completed in the Calgary CMA compared to 652 the previous year. These relatively weak additions to Calgary's rental stock were reinforced by a drop in the number of condo completions, since a proportion of condos are usually rented out by investors. Meanwhile, a number of condominium investors who purchased in previous years have been selling their units. With heightened rental vacancies, many investors have not been able to achieve their required rents while maintaining tenants. Given the equity market recovery over the last few years, condominium investors have faced a strong opportunity cost if they retained a vacant unit or had one rented with suppressed rents.

## Higher Carrying Costs to Temper First-time Buyer Demand

Home ownership costs will head upward in 2005 in the face of rising mortgage rates and higher house prices. Over the previous six years, low mortgage rates helped offset rising prices in both the new and existing home ownership markets. In 2005, however, mortgage rates will post their highest gain since 1999. Combined with further average price increases for new and existing homes, some prospective buyers may be priced out of the ownership market. This will temper ownership demand, in turn assisting Calgary's rental market.

Thanks to persistently low mortgage rates, the average monthly carrying costs (principle, interest, taxes) will have increased 6.3 per cent at the end of 2004, only one percentage point beyond the gain in average prices. In 2005, the tables will turn for buyers, as low mortgage rates will no longer cushion the impact of rising prices. Despite modest price growth of 4.7 per cent in 2005, higher mortgage rates will boost the monthly carrying costs by 11.3 per cent. The expected increase to carrying costs in 2005 is more than double the growth rate in average prices, and represents the highest jump in monthly carrying costs since 1999. Undoubtedly, this financial commitment coupled with modest rent increases will influence some prospective first-time buyers to remain in the rental market.

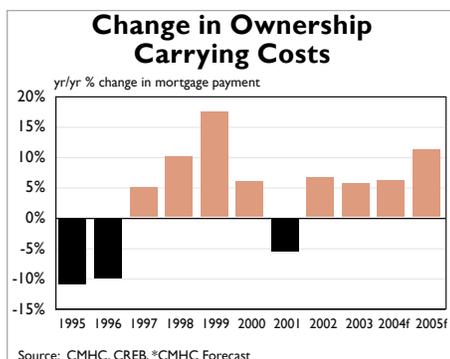


## Migration to Recover from 12-year Low

For the second year in succession, the City of Calgary recorded a steep decline in net migration. Following an impressive 20,962 net migrants for the 12-month period ending April 2002, the city suffered a 57 per cent drop in net migration one year later to 8,965. While migration in 2004 was expected to be weak by historical standards, another decline like the one in 2003 was not expected. Calgary's labour market was set to recover from 2003's poor job performance and still enjoyed one of the lowest unemployment rates in the country. Unfortunately though, an increase was not in the cards, as net migration in 2004 fell to only 2,253 people, down 75 per cent from the previous year. This represents the lowest annual total since 1992.

Calgary's nine-year low for job creation in 2003 was predominantly to blame for this continued decline in the level of migration. With only 12,300 new jobs created in 2003, the 2.1 per cent rate of employment growth was far below the 4.7 per cent annual average gain in the preceding eight years. While local employment opportunities provide a critical draw for migrants, the strength of Calgary's labour market relative to other competing locales remains another determining factor. Within Alberta, Edmonton's job growth surpassed Calgary's for 2002 and 2003, the only such occurrences since 1997. As a result, Edmonton's prominence as a magnet for migrants increased among those looking for employment. Outside of Alberta, the British Columbia job market had also taken flight, posting one of the strongest rates of job growth in the country since 2002.

Once the census results for 2005 are reported, the 2,253-migrant performance in 2004 should be seen as an anomaly. For the 12-month period ending April 30, 2005, CMHC expects net migration to reach 7,500 people, a more than three-fold gain over the migration level reported this year. Undoubtedly, such a gain comes as welcome news for rental property owners, as new migrants have a higher propensity to rent. However, the gain of 7,500 persons through migration will still be low by historical standards.



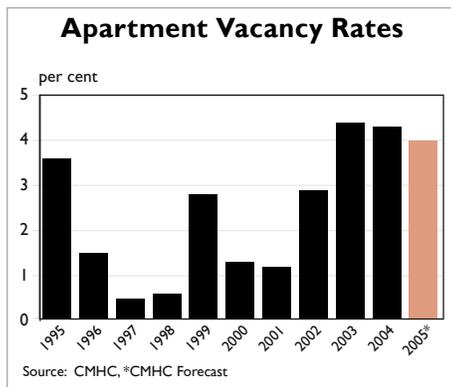
# Rental Market Outlook

## Expect a Modest Improvement in 2005

Following a 4.3 per cent vacancy rate in 2004, CMHC expects apartment vacancies will tighten modestly to 4.0 per cent in 2005. Moving forward, the supply of first-time buyers will diminish as much of the demand has been brought forward from previous years. As indicated above, higher ownership costs brought on by higher mortgage rates and further price gains will push ownership beyond the reach of some renters. Meanwhile, the continuation of rental incentives and lack of rental rate increases will slow the move to home ownership.

Declining rental competition should also result in lower vacancies moving forward. The number of conversions from rental to condominium will continue to surpass new construction, resulting in a continued decline in the rental market universe. Calgary's rental market universe is the lowest per capita among the 28 CMAs, and continues to decline based on persistent gains in population and conversions continuing to surpass new rental construction. With vacancies exceeding the previous 10-year average by a sizeable margin, little rental construction should be expected moving forward.

Meanwhile, landlords will face more modest competition from the condominium investment market. In 2001 and 2002, investors looked to rental condominiums as an alternative investment channel. It was a great strategy at the time, as the stock market was performing poorly and rental vacancies were low. Since then, however, vacancies have increased. Consequently, investors encountering difficulty in finding tenants for their units may seek to sell their units on the resale market and re-inject their capital elsewhere. Prospective condominium investors will also shy away, as many will see a substantial opportunity cost if their capital is tied up in a vacant condominium.



Despite the expected decline in vacancies in 2005 to 4.0 per cent, there is little risk of further downward pressure. While mortgage rates will rise through 2005, they will still be low by historical standards. As a result, first-time buying will continue to be healthy though perhaps will be at a lesser pace. The new ownership market will continue to target renters by producing a multitude of affordable home ownership options. Condominium ownership starts are on pace to set a new record in 2004, many of which will be marketed to the first-time buyer. If apartment condominium absorptions in 2005 mirror those that occurred in the first 10 months of 2004, buyers can expect to fetch an average apartment condo for just over \$160,000. Such a purchase with five per cent down would require a monthly mortgage payment (principle and interest) of \$970, about \$164 more than the average two-bedroom rental. This may be an acceptable 'ownership premium' for many renters, though many may not find the cost differential tolerable once property taxes and condominium fees are added to the equation.

### Modest Rent Increases Expected

With vacancies among their highest levels since 1994, tenants have been enjoying renter's market conditions. In 2003, average two-bedroom rents failed to record an increase over the previous year, the only such occurrence in eight years. A similar scenario occurred in 2004 as landlords hedged the risk of higher vacancies. In addition to holding rents stable this year, landlords reintroduced a number of incentives such as paid utilities and a free month rent with lease. While such incentives have promoted tenant retention and helped attract new ones, they have also cut into net operating incomes.

In 2005, tenants can expect the first notable increase in average rents in three years. With vacancies declining for the second consecutive year, property owners will attempt to support their bottom lines with a two per cent gain in rents. Such increases will translate into a \$16 per month increase for a two-bedroom unit, reaching \$822. Many property owners will find the increase necessary as they face heightened operating costs. These include higher natural gas prices as well as increased insurance and property taxes.

Upside risk to average rental rates comes from the completion of some newly constructed units, as they typically command higher than average rents. At the end of October 2004, 464 rental suites were under construction,

### Highlights

- Apartment vacancies in the Calgary CMA declined marginally in 2004, down 0.1 percentage point to 4.3 per cent.
- Vacancy rates for row (town home) rentals increased to 4.1 per cent, up from 4.0 per cent in 2003.
- Following weak gains in 2003, average rents posted a modest decline in 2004.
- Average rents recorded a negligible \$2 increase for two-bedroom apartment units, while three-bedroom suites saw their rents decline three per cent.
- The 2004 rental stock had 909 fewer apartment units and 406 fewer row units.
- The apartment vacancy rate is forecast to fall to 4.0 per cent in October 2005, while the average two-bedroom rent is expected to advance by two per cent.

half of which will be completed and eligible for 2005's survey. That said, such a risk to higher rents will be mitigated by weak increases in the upper rent ranges, since vacancies will continue to be highest among the most expensive units.



### CMHC and Builders ... Building the Future Together

*CMHC works to encourage a vibrant and dynamic housing sector enabling you to capitalize on business opportunities, build long-term relationships – and save you time and money. With the most comprehensive range of housing information in the country, CMHC has leading-edge research on housing technologies and best practices.*

**Visit [www.cmhc.ca](http://www.cmhc.ca) for the most comprehensive, up-to-date housing information in Canada**

# National Overview

## National Apartment Vacancy Rate Rises

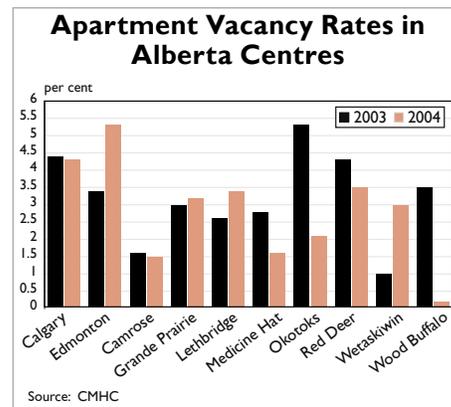
The average rental apartment vacancy rate in Canada's 28 major centres rose to 2.7 per cent in October 2004 from 2.2 per cent a year ago. This is the third consecutive annual increase in the vacancy rate, but it remains below the 3.3 per cent average vacancy rate over the 1992 to 2003 period.

The rising vacancy rate over the past year is due to various factors. Low mortgage rates have kept mortgage carrying costs low and lessened demand for rental housing by bringing home ownership within the reach

of many renter households. Continued high levels of condominium completions have also created competition for the rental market and have contributed to rising vacancy rates. Condominiums are a relatively inexpensive form of housing that are often purchased by renter households switching to home ownership. Condos also supplement the rental market because, in some cases, they are purchased by investors who in turn rent them out. Vacancy rates have also risen because rental apartment completions have added new rental supply in some centres.

Apartment Vacancy Rates by Census Metropolitan Area		
Area	2003	2004
Abbotsford CMA	2.5	2.8
<b>Calgary CMA</b>	<b>4.4</b>	<b>4.3</b>
Edmonton CMA	3.4	5.3
Gatineau CMA	1.2	2.1
Halifax CMA	2.3	2.9
Hamilton CMA	3.0	3.4
Kingston CMA	1.9	2.4
Kitchener CMA	3.2	3.5
London CMA	2.1	3.7
Montreal CMA	1.0	1.5
Oshawa CMA	2.9	3.4
Ottawa CMA	2.9	3.9
Quebec CMA	0.5	1.1
Regina CMA	2.1	2.7
Saguenay CMA	5.2	5.3
Saint John CMA	5.2	5.8
St. Catharines-Niagara CMA	2.7	2.6
St. John's CMA	2.0	3.1
Saskatoon CMA	4.5	6.3
Sherbrooke CMA	0.7	0.9
Greater Sudbury CMA	3.6	2.6
Thunder Bay CMA	3.3	5.0
Toronto CMA	3.8	4.3
Trois-Rivieres CMA	1.5	1.2
Vancouver CMA	2.0	1.3
Victoria CMA	1.1	0.6
Windsor CMA	4.3	8.8
Winnipeg CMA	1.3	1.1
<b>CANADA</b>	<b>2.2</b>	<b>2.7</b>

Average Two-Bedroom Apartment Rents by Census Metropolitan Area		
Area	2003	2004
Abbotsford CMA	672	684
<b>Calgary CMA</b>	<b>804</b>	<b>806</b>
Edmonton CMA	722	730
Gatineau CMA	639	663
Halifax CMA	720	747
Hamilton CMA	778	789
Kingston CMA	768	785
Kitchener CMA	754	765
London CMA	736	758
Montreal CMA	575	594
Oshawa CMA	845	852
Ottawa CMA	932	940
Quebec CMA	567	596
Regina CMA	589	602
Saguenay CMA	457	459
Saint John CMA	504	520
St. Catharines-Niagara CMA	704	722
St. John's CMA	607	618
Saskatoon CMA	576	580
Sherbrooke CMA	471	495
Sudbury CMA	651	655
Thunder Bay CMA	672	679
Toronto CMA	1040	1052
Trois-Rivieres CMA	436	457
Vancouver CMA	965	984
Victoria CMA	789	799
Windsor CMA	776	776
Winnipeg CMA	645	664
<b>CANADA</b>	<b>728</b>	<b>745</b>



Despite the higher vacancy rates in many centres, there are many households that pay more than 30 per cent of their income for rent. These households either need less expensive units or require some help in order to make their monthly shelter costs more affordable. In some cases, however, there are not enough vacant units to meet the needs of all households in core housing need; for example households living in crowded conditions. Therefore, additional affordable housing units continue to be required.

Vacancy rates were higher than one year ago in 21 of Canada's 28 major centres. Windsor (8.8 per cent), Saskatoon, Saint John (NB), Edmonton, Saguenay, and Thunder Bay had the highest vacancy rates, while Victoria (0.6 per cent), Sherbrooke, Québec, Winnipeg, Trois-Rivières, and Vancouver were among the cities with the lowest vacancy rates.

Average rents for two-bedroom apartments increased in all major centres, except Windsor where rents were unchanged. The greatest increase occurred in both Sherbrooke and Québec where rents were up 5.1 per cent, and in Trois-Rivières where rents were up 4.8 per cent. Average rents in Halifax, Gatineau, Montréal, Saint John (NB), and London were all up by three per cent or more. The highest average monthly rents for two-bedroom apartments were in Toronto (\$1,052), Vancouver (\$984), and Ottawa (\$940). The lowest average rents were in Trois-Rivières (\$457) and Saguenay (\$459).

A new measure called the availability rate has been introduced on a pilot basis this year in all 28 major centres across Canada. The average rental apartment availability rate in Canada's 28 major centres was 3.9 per cent in October 2004.

For more information, contact:

**Richard Corriveau**  
Senior Market Analyst

Telephone: (403) 515-3005  
Toll Free: 1-877-722-2642  
Fax: (403) 515-3036  
E-mail: rcorriveau@cmhc-schl.gc.ca

# Calgary Rental Market Survey

## Apartment Vacancies Up in Most Sectors

Based on the results of CMHC's October 2004 Rental Market Survey, the apartment vacancy rate in the Calgary Census Metropolitan Area (CMA) recorded a slight decline from the previous year. After reaching a nine-year high of 4.4 per cent in 2003, the apartment vacancy rate slipped to 4.3 per cent in October 2004. Of the 42,335 privately-initiated apartment rental units, this represents a total of 1,808 vacant units available for immediate occupancy at the time of the survey. One-bedroom suites, which account for almost 50 per cent of the apartment rental universe, experienced the largest decline in vacancies in 2004, down 0.5 percentage points to 3.4 per cent. This also represents the lowest vacancy rate among bedroom types in the Calgary CMA. Two-bedroom units, which account for 42 per cent of the apartment universe, experienced higher vacancies in 2004, up 0.3 percentage points since 2003 reaching 5.2 per cent.

In 2004, apartment vacancies declined in six of the 10 sectors comprising the Calgary CMA. The largest rate decline occurred in the Chinook sector (Zone 8), where vacancies fell from 6.9 per cent in 2003 to 3.2 per cent in 2004. This represents a significant departure from the previous year, when the Chinook sector recorded the second largest increase in vacancies across the CMA. Undoubtedly, the rent reductions in the Chinook sector were a contributing factor to the lower vacancies in 2004. At a negative 2.3 per cent, the average rent reduction in the Chinook sector was the most aggressive across the CMA. Chinook's decline in vacancies was followed by areas outside of city limits (Zone 10), where the vacancy rate fell from 4.9 per cent in 2003 to a CMA low of 1.8 per cent in 2004.

Among zones recording increases to their vacancy rate in 2004, the gain in the Southeast (Zone 5) was the highest. After enjoying the lowest vacancy rate in 2002, the Southeast sector's vacancy rate escalated 5.5 percentage points in 2003 and another 2.8 percentage points in 2004. Reaching 9.9 per cent, the apartment vacancy rate in the Southeast sector is the highest among all sectors in the Calgary CMA. The addition of units via rental construction and renovation, in part, accounts for the higher vacancies. A total of 464 units have been added to the Southeast's rental market universe during the last two years.

Comparing apartment units by rent range, it appears that units with the highest average rents also had the highest rate of vacancy. For units commanding \$1,200 or more per month, vacancies reached 8.1 per cent in 2004, almost double the rate experienced for all units. The high vacancies in the upper rent ranges can be attributed to two factors. First, higher-income renters are more financially capable to jump to home ownership. As they are also most likely to afford the higher priced rentals, their move to ownership resulted in higher rental vacancies at the upper-end of the market. Meanwhile, though rental competition from condominium investments may not have escalated, they do command higher than average rents, thus providing competition for higher-priced rentals.

### Availability Survey Points to Higher Turnover

In 2004, CMHC conducted its first availability survey of apartment units. A rental unit is considered available if the unit is vacant, or the existing tenant has given or received official notice to move and a new tenant has not signed a lease. As the definition of availability includes

vacancy, the availability rate will always be equal to or greater than the vacancy rate.

Calgary's apartment availability rate was 6.2 per cent in 2004, almost two full percentage points above the rate of vacancy. At 2.8 percentage points, bachelor suites had the greatest difference between its vacancy and availability rates. Bachelor suites also had the highest rate of availability, reaching 8.5 per cent. The availability rate for two-bedroom units was second highest among bedroom types at 7.1 per cent, and was almost two percentage points higher than its respective rate of vacancy.

As was the case for all bedroom types, the availability rate for each zone exceeded their respective rates of vacancy. At 3.5 per cent, the availability rate in the Northwest (Zone 6) was the closest to its vacancy rate, up only 0.8 percentage points. While the Northwest enjoyed the second lowest vacancy rate among the 10 surveyed zones in the Calgary CMA, it had the lowest availability rate. These results in the Northwest sector are influenced by its inclusion of the University of Calgary and close proximity to SAIT. With students back in session in October, they would arguably have the lowest rate of turnover among renter households.

### Modestly Weaker Rents in 2004

For the first time in 10 years, average apartment rents in the Calgary CMA have declined. Following a modest increase of 0.7 per cent to \$721 per month in 2003, tenants saw their average rents decline by the same amount in 2004, reverting back to the 2002 average of \$716. Coming off the highest vacancy rate since 1994, property owners have cut rents to hedge

## RESIDENTIAL CONSTRUCTION DIGEST

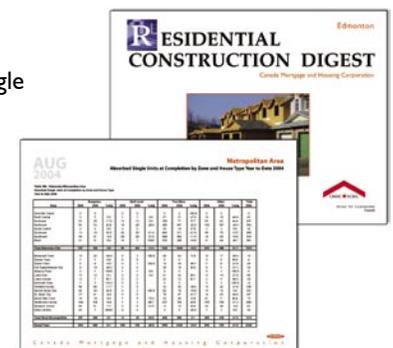
CMHC's monthly **Residential Construction Digest** delivers all the housing statistics you asked for, right down to the local market level! We have designed this product with your input, to meet your needs. You told us you wanted a detailed breakdown each month of housing statistics for single and multi-family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

### *The Residential Construction Digest delivers!*

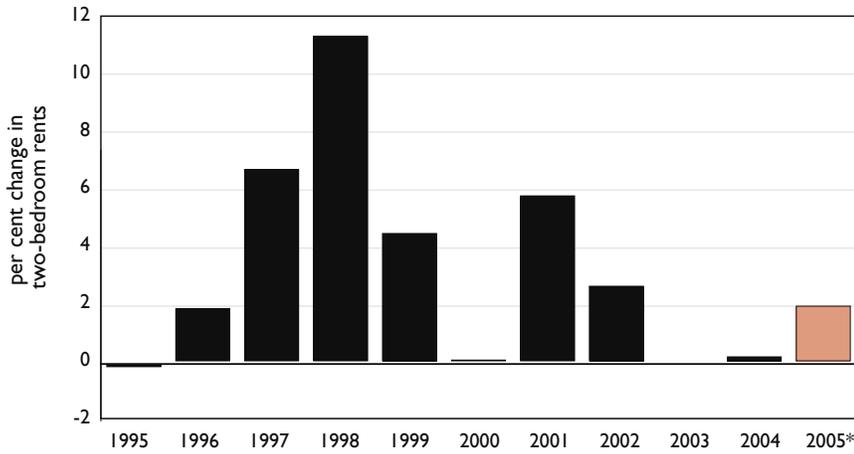
Each month, over 60 tables reveal the housing market in great detail: Housing trends made crystal clear, to help you identify new opportunities. For added convenience each report is distributed electronically in PDF format with hotlinks allowing you to quickly get the information you need with a click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



## Apartment Rent Increases



Source: CMHC, \*CMHC Forecast

the risk of higher vacancies. This represents a significant departure from the 1997 to 2001 period, when average rents increased by an average of over six per cent annually.

Though overall rents declined by less than one per cent, one can assume that some units experienced stronger declines in their monthly rental rates. With new additions to the rental stock commanding premium rates, stronger rent reductions among some units had to occur to maintain the decline in average rents at only 0.7 per cent.

In 2004, all but one survey zone within city limits reported a decline in their monthly rents. Of those recording a decline, the largest reduction occurred in the Chinook (Zone 8) and North Hill (Zone 3) sectors, down by 2.3 and 1.3 per cent, respectively. In the Chinook sector, the rent reductions have been successful in driving down vacancies, as they fell from 6.9 per cent in 2003 to 3.2 per cent the following year.

The Northwest (Zone 6) was the only sector to record a year-over-year increase in their monthly rental rate in 2004, albeit a marginal gain. Since October 2003, average rents in the Northwest increased by \$2 per month, reaching \$729. The fact that the Northwest sector was the only one to report a gain in rents was supported by a decline in their vacancy rate to the lowest among zones within City limits, reaching 2.7 per cent.

By bedroom count, bachelor suites captured the strongest rent increases in the Calgary CMA, up 1.4 per cent or \$7 per month.

Two-bedroom units recorded the only other gain, up a marginal 0.2 per cent or \$2 per month. Meanwhile, following a 1.3 per cent gain in 2003, three-bedroom or more apartment rents declined 2.7 per cent, falling to \$766 per month. One-bedroom suites also recorded a decline. On average, one-bedroom rents fell by one per cent in 2004, down \$6 per month.

## Row Vacancies Highest in Ten Years

Unlike the apartment market, vacancy rates in Calgary's row rentals increased in 2004, reaching the highest level since 1994. After rising 1.4 percentage points to 4.0 per cent in 2003, row vacancies inched upward to 4.1 per cent one year later. Across the Calgary CMA, the 4.1 per cent vacancy rate translates into 197 vacant privately-initiated row units in October 2004 out of an overall universe of 4,797 units. While this represents a nine-unit decline in the number of vacant units from 2003, the decline in the overall vacancy rate can be attributed to a smaller rental stock.

All survey zones but two recorded higher vacancy rates compared to 2003. The North Hill (Zone 3) sector recorded the largest jump in row vacancies, climbing from 2.6 per cent in 2003 to 7.1 per cent in 2004. This sector also held the highest vacancy rate among the 10 zones comprising the CMA. The next largest gain was in the Northwest (Zone 6), where the vacancy rate jumped from 3.2 per cent in 2003 to 4.5 per cent in 2004.

The Southeast (Zone 5) recorded the largest decline in row vacancies in 2004, down 1.1 percentage points to 6.9 per cent. To combat two consecutive years of the largest jump in row vacancies to a CMA-high of 8.0 per cent in 2003, landlords cut rents by over three per cent, the largest reduction across the CMA.

Among bedroom types, bachelor row units reported the strongest decline in vacancies in the Calgary CMA, dropping 20 percentage points to 0.0 per cent. Readers should not be impressed, however, as the 0.0 per cent vacancy rate was achieved by renting only one vacant suite from the overall stock of five bachelor units. Elsewhere, all other bedroom types recorded a higher vacancy rate than 2003. One-bedroom suites, which account for less than four per cent of all row rentals, reported the largest gain in vacancies, up 0.6 percentage points to 4.8 per cent. Two- and three-bedroom or more suites both saw their vacancy rate increase by 0.1 percentage point since 2003, reaching 3.8 and 4.4 per cent, respectively.

In an effort to reduce vacancies, row-unit landlords reduced rents for the second consecutive year. Following a 1.1 per cent reduction in 2003, average row rents for all bedroom types recorded a 0.9 per cent decline since the 2003 survey, down \$7 to an average of \$798 per month. As a result, average row rents are currently at the lowest level since 2000. Three-bedroom or more rents posted the only year-over-year decline among bedroom types, down 1.9 per cent to average \$837 per month. Both one- and two-bedroom rents increased, on average, by a mere 0.2 and 0.3 per cent, respectively.

Across sectors, the Northeast (Zone 7) was one of only two sectors to record a gain in average rents in 2004, following the largest decline in the previous year. In 2004, the largest decline in average row rents occurred in the Southeast (Zone 5), down three per cent.

### Valuable information at the click of a mouse

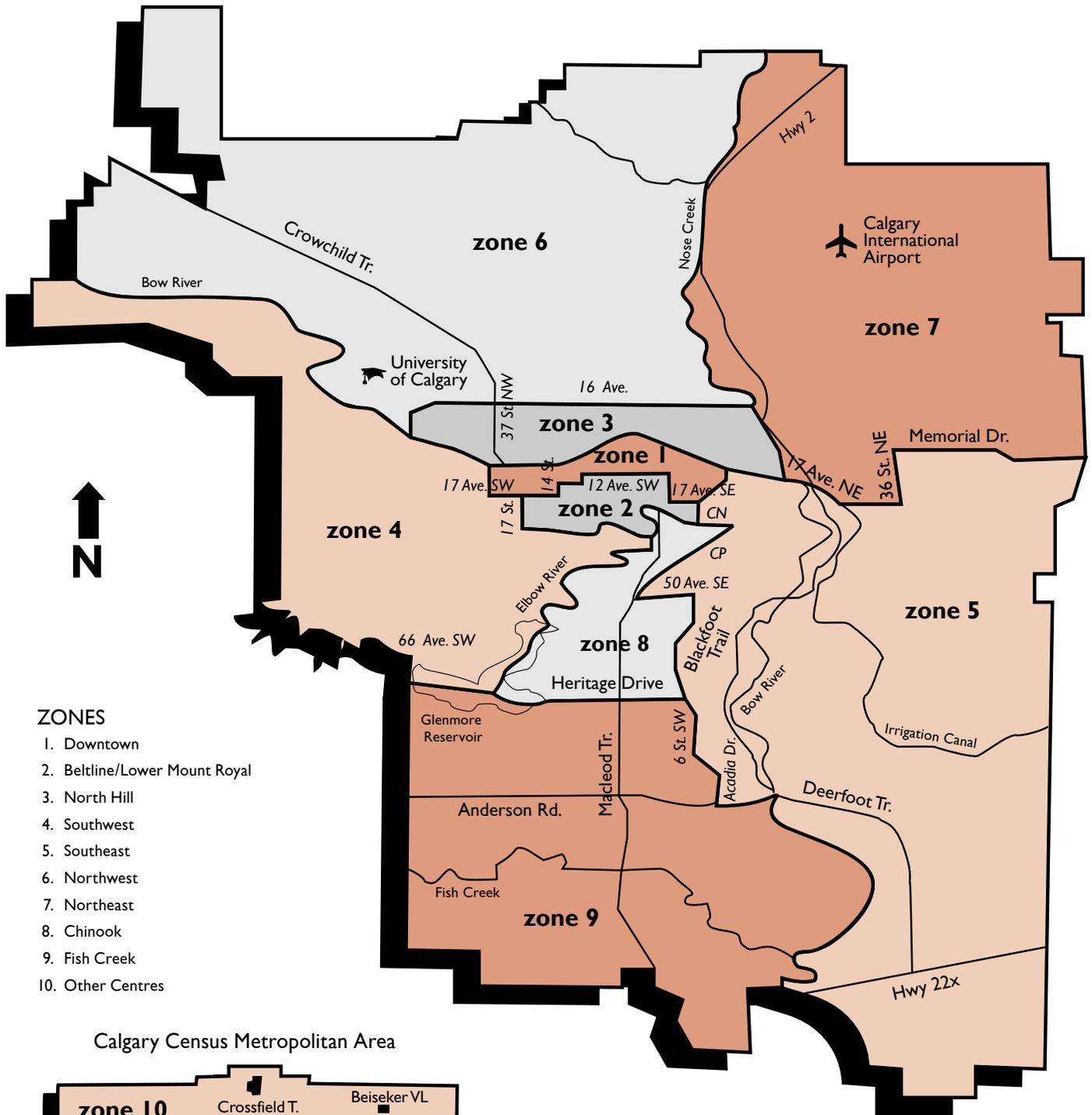
Canada Mortgage & Housing Corporation (CMHC) is the Government of Canada's national housing agency; helping Canadians to gain access to a wide choice of quality, affordable homes.

For more information visit our website at [www.cmhc.ca](http://www.cmhc.ca)

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. © 2004 All rights reserved

# Calgary Metropolitan Area — Vacancy Survey Zones



## 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

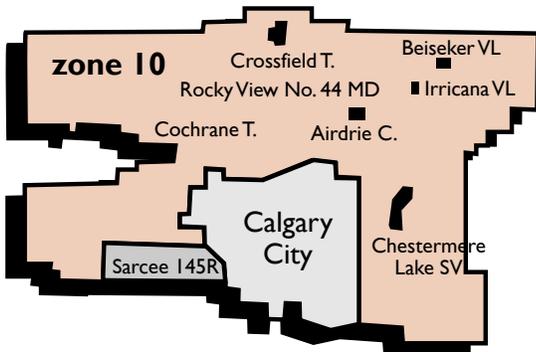


Table 1  
**HISTORICAL APARTMENT VACANCY RATES**  
 Apartment Vacancy Rates by Zone  
 October 1997 to October 2004 - Calgary

Area	1997	1998	1999	2000	2001	2002	2003	2004
Zone 1 - Downtown	1.2	0.8	6.4	1.5	1.7	2.7	4.6	3.5
Zone 2 - Beltline	0.6	0.7	2.3	1.4	0.9	2.7	4.4	4.2
Zone 3 - North Hill	0.4	0.4	2.4	0.8	0.8	2	1.7	3.4
Zone 4 - Southwest	0.5	0.5	1.9	0.8	1.1	3.6	4.7	6.1
Zone 5 - Southeast	0.5	1.6	3.4	2.8	2.5	1.6	7.1	9.9
Zone 6 - Northwest	0.3	0.5	2.3	0.8	1.4	2.4	2.8	2.7
Zone 7 - Northeast	0.6	0.9	2.6	1.4	1.2	3	3.5	4.0
Zone 8 - Chinook	0.3	0.3	1.7	0.7	0.6	3.9	6.9	3.2
Zone 9 - Fish Creek	0.1	0.3	2.0	1.9	1.5	3.4	6.2	4.8
Zones 1 to 9 - Calgary City	0.5	0.6	2.8	1.2	1.2	2.9	4.4	4.3
Zone 10 - Other Centres	0.0	0.4	2.9	1.8	1.3	3	4.9	1.8
<b>Calgary CMA</b>	<b>0.5</b>	<b>0.6</b>	<b>2.8</b>	<b>1.3</b>	<b>1.2</b>	<b>2.9</b>	<b>4.4</b>	<b>4.3</b>

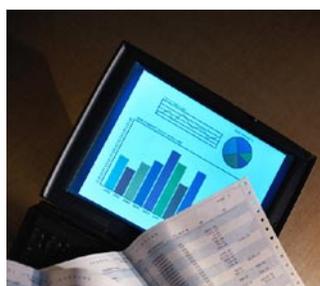
Table 2  
**HISTORICAL APARTMENT RENTS**  
 Average Apartment Rents by Bedroom Type  
 October 1997 to October 2004 - Calgary

Year	Bachelor		One Bedroom		Two Bedroom		Three Bedroom +	
	Avg. Rent	% Change	Avg. Rent	% Change	Avg. Rent	% Change	Avg. Rent	% Change
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
2003	508	-1.0	661	0.6	804	0.0	787	1.3
2004	515	1.4	655	-0.9	806	0.2	766	-2.7

N/U - no structures in the rental universe

N/A - no structures in sample responses

\*\* Sample size not large enough to publish reliable results



## 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 3  
**APARTMENT VACANCY RATES**  
 Apartment Vacancy Rates by Zone and Bedroom Type  
 Calgary

Area	Bachelor		One Bedroom		Two Bedroom		Three Bedroom +		All Units	
	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004
Zone 1 - Downtown	**	6.2	4.2	2.8	4.9	4.0	**	**	4.6	3.5
Zone 2 - Beltline	6.4	6.2	4.1	3.9	4.3	4.1	**	**	4.4	4.2
Zone 3 - North Hill	**	1.3	1.2	3.3	2.2	3.9	**	**	1.7	3.4
Zone 4 - Southwest	**	8.4	3.9	4.5	4.9	7.3	4.9	6.6	4.7	6.1
Zone 5 - Southeast	**	5.8	7.2	8.6	7.4	13.1	7.2	4.9	7.1	9.9
Zone 6 - Northwest	**	**	2.8	1.6	2.7	3.5	3.9	3.6	2.8	2.7
Zone 7 - Northeast	**	**	2.7	1.5	3.8	5.8	**	0.0	3.5	4.0
Zone 8 - Chinook	**	**	5.9	3.2	8.0	3.2	**	**	6.9	3.2
Zone 9 - Fish Creek	**	6.7	5.4	1.7	7.5	6.5	**	4.2	6.2	4.8
Zones 1 to 9 - Calgary City	5.7	5.8	3.9	3.4	4.8	5.2	4.6	4.5	4.4	4.3
Zone 10 - Other Centres	0.0	0.0	1.7	1.8	7.1	1.9	3.7	1.9	4.9	1.8
<b>Calgary CMA</b>	<b>5.7</b>	<b>5.7</b>	<b>3.9</b>	<b>3.4</b>	<b>4.9</b>	<b>5.2</b>	<b>4.6</b>	<b>4.5</b>	<b>4.4</b>	<b>4.3</b>

Table 4  
**APARTMENT AVAILABILITY AND VACANCY RATES**  
 Apartment Availability and Vacancy Rates by Zone and Bedroom Type  
 Calgary

Area	Bachelor		One Bedroom		Two Bedroom		Three Bedroom +		All Units	
	Availability	Vacancy	Availability	Vacancy	Availability	Vacancy	Availability	Vacancy	Availability	Vacancy
Zone 1 - Downtown	6.5	6.2	4.4	2.8	5.7	4.0	**	**	5.0	3.5
Zone 2 - Beltline	11.2	6.2	6.0	3.9	6.0	4.1	**	**	6.4	4.2
Zone 3 - North Hill	3.3	1.3	5.2	3.3	5.9	3.9	**	**	5.5	3.4
Zone 4 - Southwest	8.4	8.4	6.2	4.5	9.8	7.3	8.2	6.6	8.1	6.1
Zone 5 - Southeast	5.8	5.8	9.9	8.6	14.7	13.1	6.3	4.9	11.3	9.9
Zone 6 - Northwest	**	**	2.4	1.6	4.2	3.5	4.7	3.6	3.5	2.7
Zone 7 - Northeast	**	**	3.1	1.5	7.1	5.8	4.5	0.0	5.5	4.0
Zone 8 - Chinook	**	**	6.2	3.2	5.7	3.2	**	**	5.9	3.2
Zone 9 - Fish Creek	11.1	6.7	3.4	1.7	8.8	6.5	6.6	4.2	6.9	4.8
Zones 1 to 9 - Calgary City	8.7	5.8	5.2	3.4	7.1	5.2	6.7	4.5	6.2	4.3
Zone 10 - Other Centres	0.0	0.0	3.6	1.8	5.0	1.9	1.9	1.9	4.1	1.8
<b>Calgary CMA</b>	<b>8.5</b>	<b>5.7</b>	<b>5.2</b>	<b>3.4</b>	<b>7.1</b>	<b>5.2</b>	<b>6.5</b>	<b>4.5</b>	<b>6.2</b>	<b>4.3</b>

N/U - no structures in the rental universe

N/A - no structures in sample responses

\*\* Sample size not large enough to publish reliable results

Table 5  
**AVERAGE APARTMENT RENTS**  
Average Apartment Rents by Zone and Bedroom Type  
Calgary

Area	Bachelor		One Bedroom		Two Bedroom		Three Bedroom +		All Units	
	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004
Zone 1 - Downtown	**	497	701	688	860	892	**	**	743	741
Zone 2 - Beltline	507	529	643	644	832	836	**	**	699	698
Zone 3 - North Hill	**	**	624	618	752	754	**	**	678	669
Zone 4 - Southwest	**	478	661	642	800	805	714	735	722	720
Zone 5 - Southeast	**	**	605	628	689	688	700	670	663	656
Zone 6 - Northwest	**	**	665	666	778	785	775	746	727	729
Zone 7 - Northeast	**	**	653	652	757	751	**	**	721	715
Zone 8 - Chinook	**	**	663	657	793	768	**	**	724	707
Zone 9 - Fish Creek	**	578	729	720	861	846	**	823	815	801
Zones 1 to 9 - Calgary City	509	515	661	655	806	807	789	768	721	717
Zone 10 - Other Centres	456	493	606	617	708	**	716	**	674	**
<b>Calgary CMA</b>	<b>508</b>	<b>515</b>	<b>661</b>	<b>655</b>	<b>804</b>	<b>806</b>	<b>787</b>	<b>766</b>	<b>721</b>	<b>716</b>

Table 6  
**NUMBER OF APARTMENT UNITS**  
Vacant and Total Universe by Zone and Bedroom Type  
Calgary

Area	Bachelor		One Bedroom		Two Bedroom		Three Bedroom +		All Units	
	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total
Zone 1 - Downtown	22	358	97	3,525	71	1,792	**	**	199	5,716
Zone 2 - Beltline	54	873	259	6,567	154	3,708	**	**	467	11,214
Zone 3 - North Hill	2	152	76	2,301	57	1,459	**	**	138	4,019
Zone 4 - Southwest	13	156	103	2,313	196	2,674	27	411	339	5,554
Zone 5 - Southeast	3	52	55	638	97	735	13	261	167	1,686
Zone 6 - Northwest	**	**	34	2,077	81	2,359	20	564	139	5,061
Zone 7 - Northeast	**	**	10	652	65	1,116	0	91	75	1,867
Zone 8 - Chinook	**	**	50	1,560	43	1,346	**	**	94	2,975
Zone 9 - Fish Creek	3	45	21	1,217	145	2,230	13	308	182	3,800
Zones 1 to 9 - Calgary City	101	1,750	705	20,849	909	17,418	85	1,874	1,800	41,891
Zone 10 - Other Centres	0	23	2	111	5	258	1	52	8	444
<b>Calgary CMA</b>	<b>101</b>	<b>1,773</b>	<b>707</b>	<b>20,960</b>	<b>914</b>	<b>17,677</b>	<b>86</b>	<b>1,926</b>	<b>1,808</b>	<b>42,335</b>

N/U - no structures in the rental universe

N/A - no structures in sample responses

\*\* Sample size not large enough to publish reliable results

Table 7  
**HISTORICAL ROW VACANCY RATES**  
 Row Vacancy Rates by Zone  
 October 1997 to October 2004 - Calgary

Area	1997	1998	1999	2000	2001	2002	2003	2004
Zone 1 - Downtown	**	**	**	**	**	**	**	N/A
Zone 2 - Beltline	**	**	**	**	**	**	**	**
Zone 3 - North Hill	**	0.0	**	0.0	**	**	2.6	7.1
Zone 4 - Southwest	0.2	0.5	1.6	1.0	1.8	1.9	3.8	4.5
Zone 5 - Southeast	0.3	1.0	1.5	2.8	1.0	5.4	8.0	6.9
Zone 6 - Northwest	0.5	0.5	2.5	1.2	1.2	2.5	3.2	4.5
Zone 7 - Northeast	0.3	0.3	2.7	0.6	0.8	1.0	2.6	2.8
Zone 8 - Chinook	**	**	3.7	0.0	0.0	3.7	1.9	**
Zone 9 - Fish Creek	0.4	0.6	1.4	0.7	1.6	3.0	4.2	3.2
Zones 1 to 9 - Calgary City	0.3	0.5	2.0	1.1	1.2	2.6	4.0	4.1
Zone 10 - Other Centres	**	**	**	**	**	**	**	**
<b>Calgary CMA</b>	<b>0.3</b>	<b>0.5</b>	<b>2.0</b>	<b>1.1</b>	<b>1.2</b>	<b>2.6</b>	<b>4.0</b>	<b>4.1</b>

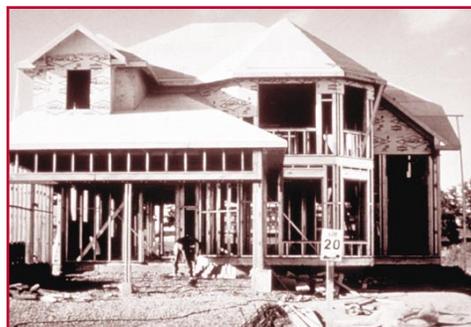
Table 8  
**HISTORICAL ROW RENTS**  
 Average Row Rents by Bedroom Type  
 October 1997 to October 2004 - Calgary

Year	Bachelor		One Bedroom		Two Bedroom		Three Bedroom +	
	Avg. Rent	% Change	Avg. Rent	% Change	Avg. Rent	% Change	Avg. Rent	% Change
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
2003	459	N/A	635	3.3	777	-2.0	853	-0.4
2004	**	N/A	636	0.2	779	0.3	837	-1.9

N/U - no structures in the rental universe

N/A - no structures in sample responses

\*\* Sample size not large enough to publish reliable results



## 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 9  
**ROW VACANCY RATES**  
 Row Vacancy Rates by Zone and Bedroom Type  
 Calgary

Area	Bachelor		One Bedroom		Two Bedroom		Three Bedroom +		All Units	
	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004
Zone 1 - Downtown	N/U	N/U	N/U	N/U	**	N/A	N/U	N/U	**	N/A
Zone 2 - Beltline	N/U	N/U	N/U	N/U	**	**	N/U	**	**	**
Zone 3 - North Hill	N/U	**	**	**	0.0	15.8	**	**	2.6	7.1
Zone 4 - Southwest	**	**	3.0	9.4	4.4	4.6	2.4	3.4	3.8	4.5
Zone 5 - Southeast	N/U	N/U	**	**	3.6	2.6	11.3	10.2	8.0	6.9
Zone 6 - Northwest	N/U	N/U	7.6	6.1	3.6	5.4	2.3	3.4	3.2	4.5
Zone 7 - Northeast	N/U	N/U	**	**	2.5	2.9	2.7	2.7	2.6	2.8
Zone 8 - Chinook	N/U	N/U	N/U	N/U	**	**	**	**	1.9	**
Zone 9 - Fish Creek	**	**	**	**	4.4	3.0	4.3	4.0	4.2	3.2
Zones 1 to 9 - Calgary City	20.0	0.0	4.2	4.8	3.7	3.9	4.3	4.4	4.0	4.1
Zone 10 - Other Centres	N/U	N/U	N/U	N/U	**	**	N/U	N/U	**	**
<b>Calgary CMA</b>	<b>20.0</b>	<b>0.0</b>	<b>4.2</b>	<b>4.8</b>	<b>3.7</b>	<b>3.8</b>	<b>4.3</b>	<b>4.4</b>	<b>4.0</b>	<b>4.1</b>

Table 10  
**AVERAGE ROW RENTS**  
 Average Row Rents by Zone and Bedroom Type  
 Calgary

Area	Bachelor		One Bedroom		Two Bedroom		Three Bedroom +		All Units	
	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004
Zone 1 - Downtown	N/U	N/U	N/U	N/U	**	N/A	N/U	N/U	**	N/A
Zone 2 - Beltline	N/U	N/U	N/U	N/U	**	**	N/U	**	**	**
Zone 3 - North Hill	N/U	**	**	**	1275	**	**	**	955	**
Zone 4 - Southwest	**	**	513	**	771	757	818	829	777	766
Zone 5 - Southeast	N/U	N/U	**	**	740	733	790	**	762	739
Zone 6 - Northwest	N/U	N/U	615	**	774	784	897	853	819	805
Zone 7 - Northeast	N/U	N/U	**	**	751	760	857	855	806	809
Zone 8 - Chinook	N/U	N/U	N/U	N/U	**	**	**	**	785	**
Zone 9 - Fish Creek	**	**	**	**	809	817	859	852	825	828
Zones 1 to 9 - Calgary City	459	**	635	636	777	779	853	837	805	798
Zone 10 - Other Centres	N/U	N/U	N/U	N/U	**	**	N/U	N/U	**	**
<b>Calgary CMA</b>	<b>459</b>	<b>**</b>	<b>635</b>	<b>636</b>	<b>777</b>	<b>779</b>	<b>853</b>	<b>837</b>	<b>805</b>	<b>798</b>

N/U - no structures in the rental universe

N/A - no structures in sample responses

\*\* Sample size not large enough to publish reliable results

Table II  
**NUMBER OF ROW UNITS**  
 Vacant and Total Universe by Zone and Bedroom Type  
 Calgary

Area	Bachelor		One Bedroom		Two Bedroom		Three Bedroom +		All Units	
	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total
Zone 1 - Downtown	N/U	N/U	N/U	N/U	0	0	N/U	N/U	0	0
Zone 2 - Beltline	N/U	N/U	N/U	N/U	**	**	**	**	**	**
Zone 3 - North Hill	**	**	**	**	3	19	**	**	3	42
Zone 4 - Southwest	**	**	3	33	15	332	6	181	25	548
Zone 5 - Southeast	N/U	N/U	**	**	7	278	35	346	44	638
Zone 6 - Northwest	N/U	N/U	4	66	36	672	20	584	60	1,322
Zone 7 - Northeast	N/U	N/U	**	**	14	479	15	562	29	1,047
Zone 8 - Chinook	N/U	N/U	N/U	N/U	**	**	**	**	**	**
Zone 9 - Fish Creek	**	**	**	**	23	777	12	303	36	1,118
Zones 1 to 9 - Calgary City	0	5	8	169	100	2,590	89	2,023	197	4,787
Zone 10 - Other Centres	N/U	N/U	N/U	N/U	**	**	N/U	N/U	**	**
<b>Calgary CMA</b>	<b>0</b>	<b>5</b>	<b>8</b>	<b>169</b>	<b>100</b>	<b>2,600</b>	<b>89</b>	<b>2,023</b>	<b>197</b>	<b>4,797</b>

N/U - no structures in the rental universe

N/A - no structures in sample responses

\*\* Sample size not large enough to publish reliable results

## METHODOLOGY

Canada Mortgage and Housing Corporation (CMHC) conducts the **Rental Market Survey (RMS)** every year 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 and more. The survey targets only structures with at least three rental units, which have been on the market for at least three months. The data collected for a structure depends on its initiation type (public or private), and whether it is an apartment or a row structure. The survey collects vacant unit data for all sampled structures. The market rent data are collected for only privately initiated structures. Most data contained in this publication refer to privately initiated apartment structures.

The survey is conducted by a combination of telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent. The survey is conducted during the first two weeks of October, and the results reflect market conditions at that time.

## Definitions

**Availability:** A rental 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 below).

**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, and hot water. For available and vacant units, the rent is the rent being asked for by the owner for the unit.

**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 Structure:** Any building containing three or more rental units, all of which are ground oriented. Owner-occupied units are not included in the rental building unit count.

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

## Acknowledgement

The Rental Market Survey could not have been conducted without the cooperation of the rental property owners, managers and building superintendents throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information. As a result of their contribution, CMHC is able to provide information that benefits the entire housing industry.

## Market Zones

The survey zones reported in this publication are described on page 7.

© 2004 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.