

R

ENTAL MARKET

REPORT

Kitchener

Canada Mortgage and Housing Corporation

Vacancy Rate up sharply in 2002

A drop in the cost of ownership and a slow job market for those aged between 15 to 24 resulted in a sharp decline in demand for private rental apartments in 2002. The rental apartment vacancy rate in the Kitchener CMA (census metropolitan area) eased significantly for the second consecutive year, moving above two per cent for the first time since 1995. The vacancy rate in the private supply of apartment buildings which have at least three units available for rent was 2.3 per cent in October 2002 up from 0.9 per cent in October 2001, according to the **Rental Market Survey** conducted annually by Canada Mortgage and Housing Corporation (CMHC).

After five years with the vacancy rate below one per cent, the rental market eased considerably, moving from a low 0.7 per cent in October 2000 to its

current level. There were 612 vacant apartments in the supply of 26,234 units compared to 184 available two years ago in October 2000. The low cost of ownership impacted demand for the larger 3 bedroom or more units with the highest rent rather than small low rent bachelor unit. The vacancy rate for a bachelor unit fell to 1.0 per cent in October 2002 from 1.6 per cent last year. In 3 bedroom units, vacancy jumped sharply from 0.9 per cent to 3.7 per cent this year.

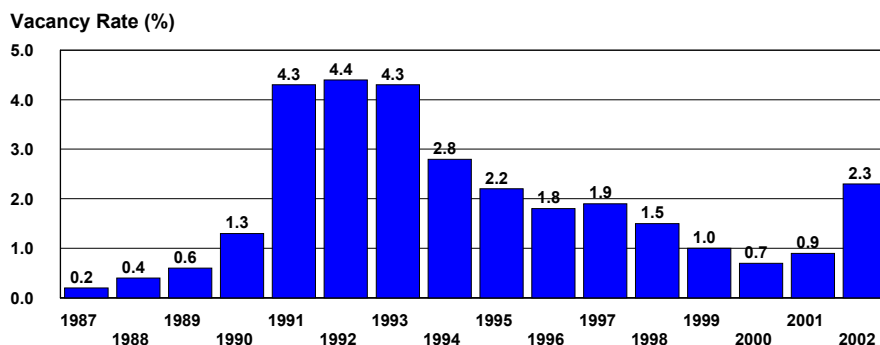
Within the Kitchener area, the city of Cambridge had the lowest vacancy rate of the three major municipalities. The vacancy rate in Cambridge edged down from 1.8 per cent in 2001 to 1.2 per cent this year. The lower vacancy rate can be attributed to the lower rent levels in the municipality. In the city of Waterloo, the vacancy rate moved to 2.1

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Apartment Vacancy Rate up sharply in 2002



3+ Apartments
Source: CMHC's Annual October Rental Market Survey

Jim Koppang

CMHC London, Market Analysis

Direct line: 519. 873-2429 * Fax: 519. 438-5266

jkoppang@cmhc-schl.gc.ca * www.cmhc.ca



HOME TO CANADIANS
Canada

per cent in October 2002 from 0.8 per cent in 2000. The better performance in this zone can be attributed to lower rent increases and an increase in students in post secondary education in September 2002.

Within the city of Kitchener, the vacancy rate ranged from 1.7 per cent in Kitchener West to 3.2 per cent in Kitchener East. The influence of student demand for rental accommodation would be felt in Kitchener West due to the proximity to the two universities in Waterloo. In Kitchener East, the large number of three bedroom units would increase the impact of lower costs of ownership and therefore, the flow of tenants out of the rental market would have been greater. As a result, the vacancy rate would be higher.

Rent not impacted by jump in Vacancy

The increase in vacancy in October 2002 had little effect on the rise in rent levels in 2002. One and two bedroom units form the bulk of the rental apartment universe. The average two bedroom rent in October 2002 at \$750 and the one bedroom rent at \$638 increased 3.9% and 3.7% respectively matching the occupied unit guidelines set by the province. The lack of restrictions on the ability to raise the rents on vacant units did not impact rent increases in the majority of the market.

Bachelor rents increased 7.7 per cent after edging down in 2001. The average rent for three bedroom or more units fell 5.6% after experiencing the largest jump in rents in 2001. The low cost of ownership would impact this market the greatest as the incentive to move to ownership would be greatest in larger families paying the higher rent levels. However, for bachelor and three bedroom units, the smaller universe of units results in large fluctuations in average rents from year to year.

Within the Kitchener area, the highest rents were charged in the City of Waterloo. However, one and two bedroom rents in this area increased by only 1.2% and 2.3% respectively suggesting that landlords were influenced

Highlights

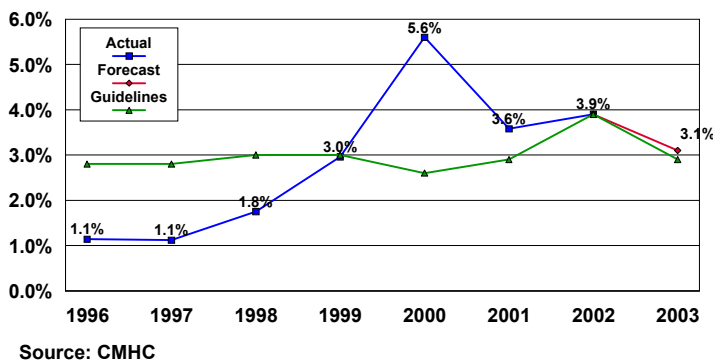
- ❖ The Kitchener CMA vacancy rate for private apartments increased to 2.3 percent in October 2002 from 0.9 percent a year earlier. By municipality, the city of Cambridge recorded the lowest vacancy rate at 1.26 percent, while Waterloo and Kitchener came in at 2.1 percent and 2.7 percent respectively.
- ❖ The total supply of private rental apartments in the CMA increased from 25,804 units in October 2001 to 26,234 units in October 2002.
- ❖ The average rent for a Kitchener CMA apartment rose for all bedroom types except 3 bedroom or more units. While the average rent for a bachelor apartment edged down 0.4% percent to \$481 in 2001, this year's survey revealed that the average rent on a bachelor unit jumped 7.7% to \$518. One bedroom apartment rents rose 3.7 percent to \$638 and two bedroom apartment rents climbed 3.9 percent to \$750.
- ❖ The Kitchener CMA private row-house rental market eased slightly in October 2002 as the vacancy rate edged up to 1.5 percent from the 1.4 percent recorded in 2001.
- ❖ The October 2002 average rent for a Kitchener CMA 2 bedroom row-house was \$776, while a 3 bedroom + unit was \$860.
- ❖ The survey found that there were 7,974 assisted rental apartment and row units in the Kitchener CMA. Only 93 assisted rental units were vacant yielding a vacancy rate of 1.2 percent, up from last year's rate of 0.4 per cent.

by the slower demand for rental accommodation as tenants faced with higher rents looked at the lower costs to ownership. In contrast, the lowest rents in the Kitchener area were charged in the city of Cambridge. One bedroom rents in this zone increased by 5.5%, the highest increase for this type of unit in 2002.

With vacancy rates averaging 1.2% and low rent levels, there was less pressure to compete to fill units. The City of Kitchener forms approximately two thirds of the rental apartment market and average rents followed movement in the Kitchener CMA as a whole.

Rent increase near occupied unit guidelines

Two bedroom rents, year-over-year increase
Kitchener CMA



Private Apartment Buildings
Private Apartment structures with 3 or more rental units

2002 Rank	Census Metropolitan Area (CMA)	Vacancy Rate (%)		2002 Universe	Vacant Units
		2001	2002		
1	Québec	0.8	0.3	75,743	258
2	Gatineau	0.6	0.5	19,100	99
3	Montréal	0.6	0.7	464,552	3,352
4	Kingston	1.5	0.9	11,349	99
5	Winnipeg	1.4	1.2	53,375	616
6	Vancouver	1.0	1.4	106,476	1,501
7	Victoria	0.5	1.5	23,793	354
8	Hamilton	1.3	1.6	42,022	665
9	Edmonton	0.9	1.7	65,122	1,090
10	Sherbrooke	2.3	1.8	24,587	442
11	Regina	2.1	1.9	11,420	222
11	Ottawa	0.8	1.9	60,096	1,162
13	Abbotsford	2.4	2.0	3,968	79
13	LONDON	1.6	2.0	38,904	765
15	Charlottetown CA*	1.8	2.2	3,721	81
16	Kitchener	0.9	2.3	26,235	612
16	Oshawa	1.3	2.3	11,168	260
18	St. Catharines-Niagara	1.9	2.4	16,193	387
19	Toronto	0.9	2.5	301,801	7,611
20	Halifax	2.8	2.7	36,502	989
20	St. John's	2.5	2.7	3,688	100
22	Calgary	1.2	2.9	43,167	1,233
23	Trois-Rivières	4.7	3.0	16,286	483
24	Saskatoon	2.9	3.7	15,547	576
25	Windsor	2.9	3.9	15,211	600
26	Thunder Bay	5.8	4.7	5,441	258
27	Chicoutimi-Jonquière	4.4	4.9	8,463	415
28	Greater Sudbury	5.7	5.1	11,000	565
29	Saint John	5.6	6.3	9,678	615
	Canada (I)	1.1	1.7	1,520,887	25,408

(I) weighted average of metropolitan areas surveyed. Abbotsford and Kingston were not CMAs in 2001.

*Census Agglomeration (CA)

Kitchener's vacancy rate moves above the Canadian average

At 2.3 per cent, the Kitchener Census Metropolitan Area (CMA) apartment vacancy rate jumped well above the Canadian metropolitan average of 1.7 per cent even though both the local rate rose and the national rate increased in 2002. The Kitchener CMA tied Oshawa for the sixteenth lowest vacancy rate in Canada, and had the fifth lowest vacancy rate in Ontario. Of the four major rental markets in proximity to Toronto, only Hamilton with a vacancy rate of 1.6% remained below the two per cent level. Oshawa (2.3), Kitchener (2.3), St. Catharines-Niagara (2.4) and Toronto (2.5), all recorded vacancy rates higher than the previous year. With an apartment vacancy rate of 0.3 per cent, Quebec now has the distinction of having the tightest metropolitan rental market in Canada.

For all urban areas in Ontario, the province witnessed a large increase in its average vacancy rate to 2.7 per cent from the 1.7 per cent recorded in 2001. The 2002 increase in the Ontario apartment vacancy rate is the second consecutive years of growths. The northern Ontario CMAs of Sudbury and Thunder Bay recorded the highest metropolitan vacancy rates at 5.1 per cent and 4.7 per cent respectively.

Summary and Forecast

The vacancy rate in the Kitchener metropolitan area's 26,234 private apartments in structures with three or more units available for rent moved above two per cent for the first time since 1995. The vacancy rate in October 2002 was 2.3% up from 0.9% in October 2001.

Following the 3.6% increase in the average two bedroom rent to \$722 in 2001, rents rose a further 3.9% to \$750 in 2002. The increase in 2002 was at the provincial guideline level for occupied units after increases above that level in the previous two years.

In 2003, an improving economy; job growth and positive net migration will boost household formation. In addition, the bulk of the double cohort of post-secondary students will be arriving by September. Mortgage rate increases and further growth in average resale prices will boost the average cost of ownership by approximately \$107 in 2003 to \$961. Consequently, fewer tenant households will make the move into ownership and therefore, with the expected increase in post secondary students, demand for rental accommodation is expected to jump dramatically in 2003.

With 1,281 new rental units currently under construction in the Kitchener CMA, at least 800 units are expected to be added to the supply by October 2003. However, many of these units are aimed at the high end market. The increase in the supply of rental accommodation will not fill the expected jump in demand for units. The vacancy rate will edge down from its present level to 2.0% in October 2003 with the average two bedroom rent rising another 3.0% to \$773.

Apartment building structure size

Usually, smaller low rise apartment buildings have higher vacancy rates and lower rents than larger high rise buildings. In 2022, those buildings with 3 to 5 and 6 to 19 units recorded a vacancy rate of 1.5 and 2.6 per cent respectively. However, in contrast to the market as a whole, the vacancy rate for buildings with 3 to 5 units went down. Since these smaller structures also had the lowest 2 bedroom rent levels at \$638, it suggests that demand for lower priced units remained unaffected by the trends at play in the market as a whole.

Buildings with 50 to 99 units and 100+ units recorded the highest vacancy rate of 2.4 and 3.3 per cent in October 2002 and the highest 2 bedroom rents at \$779 and \$845. Intermediate sized buildings with 20 to 49 units recorded the lowest

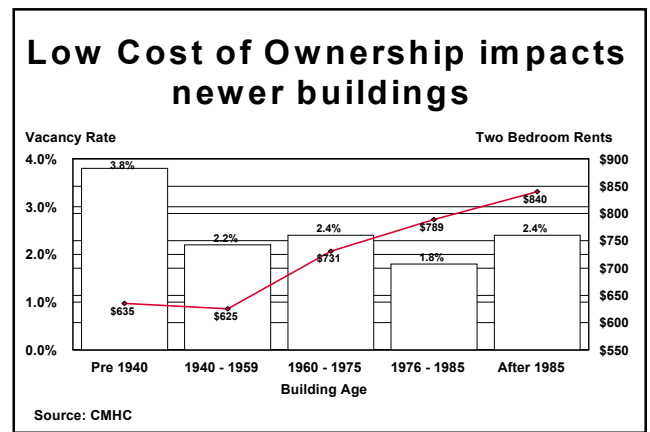
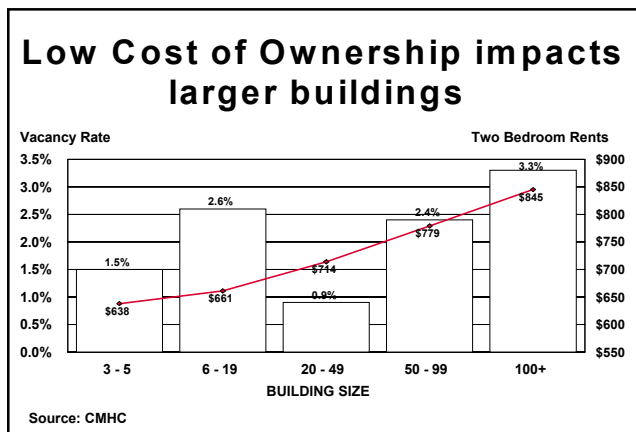
vacancy rate of 0.9 per cent and an average 2 bedroom apartment rent of \$714. This general trend of higher vacancy rates and higher rents in larger buildings was seen in all bedroom types above the bachelor unit.

The increase in vacancy as rents increase due to size of building or size of unit can be directly attributed to renter households taking advantage of the low cost of ownership to move.

Apartment age

The move to ownership can also explain the shift in vacancy in newer buildings. Newer apartments have a lower vacancy rate and higher rents than older units as newer buildings tend to have a more modern decor and features which are in demand. Apartment buildings completed after 1985 recorded the biggest increase in vacancy from 0.3 per cent in October 2001 to 2.4 per cent this year. With the

highest 2 bedroom rent of \$840, renters in newer buildings would have the least resistance to a move to ownership. Apartments built from 1976 to 1985 had a slightly lower vacancy rate of 1.9 per cent and were more affordable recording a 2 bedroom average rent of \$789. Older buildings with lower rents were not impacted by the changes in the resale market since these rents are not in competition with the ownership market. At 2.4 per cent, units completed between 1960 and 1975 form the largest proportion of the rental market and the vacancy rate at 2.4 per cent was close to the weighted average of all units. The 2 bedroom average rent of \$727 was just below the CMA average 2 bedroom apartment rent of \$750. The oldest buildings (pre 1940) recorded the highest vacancy rates at 3.8 per cent and most affordable 2 bedroom rent at \$635 but similar to the smaller 3 to 5 unit building, vacancy did decline in October 2002.

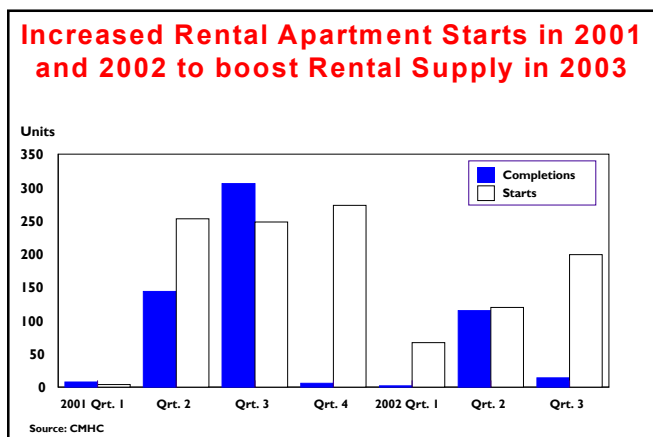


New supply

At the end of September 2002, there were 1,281 rental apartments under construction in the Kitchener CMA. Although there were 659 rental apartment units started between the October

2001 and September 2002, there were only 137 completions as construction of large rental apartment buildings take more than a year to complete. The outlook for additional supply is better as

there were the 778 rental apartment units started in 2001 and should be close to completion. However, the projects that are expected to be completed in time for inclusion in the October 2003 Rental Market Survey are aimed at the high rent segment of the market.



Assisted universe

In October 2002, there were 93 vacant units out of 7,974 publicly assisted apartment and row housing units in the Kitchener CMA. This translates into a vacancy rate of 1.2 per cent, up from 0.4 per cent from the previous year (when there were 31 vacant units). The assisted apartment universe recorded a 1.3 per cent vacancy rate and the assisted row universe recorded the 1.0 per cent vacancy rate.

By municipality, Kitchener had the most vacant units at 72, Cambridge recorded 14, and Waterloo only had 7 vacant assisted units. Two bedroom units had the biggest jump in vacancy with only 66 vacant units and a vacancy rate of 2.7 per cent.

Economic overview

Between the October 2001 and October 2002 rental market surveys, total employment in Kitchener jumped by 8,200 jobs. However, this increase hides the sharp drop in employment in the first quarter of 2002. Employment bottomed out at 219,600 jobs during this time period with the majority of the loss in full time jobs. Those aged 15-24, the primary renter aged households, were hit hard as full time employment numbers fell by 5,100. Since March 2002, employment in this age group has recovered strongly and full time employment has grown by 5,500 jobs.

The most current annual net migration estimates (2000-2001) based on tax filer

data showed that an additional 5,254 people made the Kitchener CMA their new home. Of these, 1,092 were in the 18 - 24 age group.

With positive net migrant flows, the employment situation is anticipated to improve further as the Canadian economic growth accelerates in 2003. Growth in rental demand is expected to be rebound sharply by October 2003.

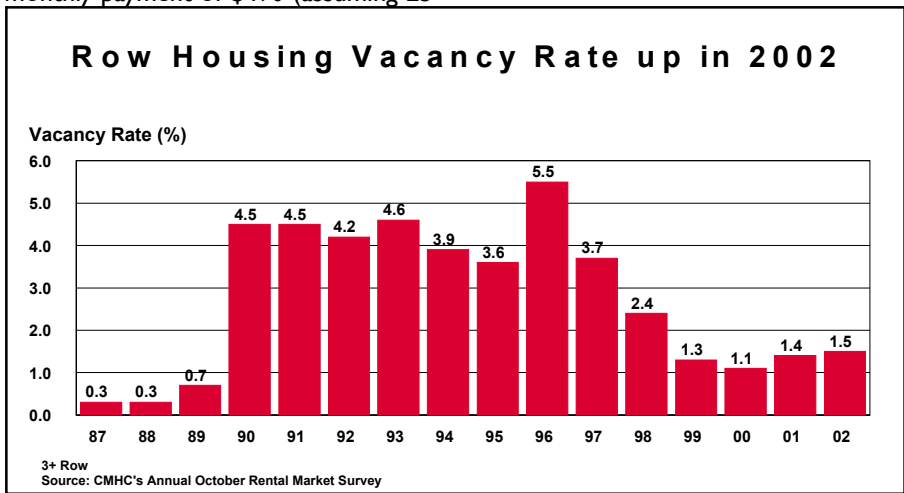
The last quarter of 2001 saw mortgage rates hovering near historic lows thereby making home ownership extremely attractive for many potential home buyers. Indeed, a flurry of sales activity in the resale market occurred through the spring market in 2002 as mortgage rates remained low. With the posted three year mortgage rate averaging 6.24 per cent in 2002, a \$100,000 mortgage would carry a monthly payment of \$490 (assuming 25

year amortization). This amount drops even further as most consumers are able to negotiate discounts off the big banks posted rates.

Mortgage rates will continue to remain low by historical standards in 2003. The one-year closed mortgage rate is forecast to be in the 4.50-7.00 per cent range over the next 14 months. The three and five year term mortgage rates will be in the 5.50-8.00 and 6.50-8.50 per cent ranges, respectively for the rest of this year and next. However, there are risks to the forecasts such as the performance of the US economy and further volatility in capital markets, which could result in mortgage rates falling outside the forecast range. Given the mortgage rate outlook for higher rates, the number of renters expected to make the move to home ownership by October 2003, will drop.

Private Row Buildings with 3 or more rental units		
Census Metropolitan Area (CMA)	Vacancy Rate (%) 2001	Vacancy Rate (%) 2002
St. John's CMA	**	0.0
Hull CMA	0.0	0.0
Sherbrooke CMA	1.9	0.0
Trois-Rivieres CMA	0.0	0.0
Montreal CMA	0.3	0.3
Quebec CMA	0.0	0.3
Kingston CA*	0.0	1.0
Winnipeg CMA	2.3	1.0
Hamilton CMA	0.9	1.2
Vancouver CMA	0.7	1.3
Victoria CMA	0.4	1.3
Charlottetown CA	0.7	1.3
Edmonton CMA	1.2	1.3
Kitchener CMA	1.4	1.5
London CMA	2.5	1.7
Regina CMA	0.8	1.7
Abbotsford CMA	1.5	1.8
Ottawa CMA	0.8	1.8
Oshawa CMA	1.0	2.0
Chicoutimi-Jonquière CMA	1.9	2.3
Calgary CMA	1.2	2.6
Toronto CMA	0.7	3.0
St. Catharines-Niagara CMA	2.8	3.1
Thunder Bay CMA	5.5	3.4
Windsor CMA	1.9	3.6
Saskatoon CMA	3.1	4.3
Halifax CMA	3.1	4.4
Greater Sudbury CMA	8.5	4.7
Saint John CMA	**	**
Canada (I)	1.4	2.0

(I) weighted average of metropolitan areas surveyed. Abbotsford and Kingston were not CMAs in 2001.
*Census Agglomeration (CA)



Private row vacancy rate stable

Kitchener's row housing vacancy rate in October 2002 edged up to 1.5 per cent compared to 1.4 per cent one year earlier and is less than one third the peak 5.5 per cent reached in 1996. While the vacancy rate for two bedroom (0.80%) edged down in 2002, the three bedroom+ (2.2%) moved up. Low mortgage rates in the resale market brought the cost of ownership down closer to the three bedroom rent of \$860. As a result, more renter households in larger row units would be more likely to make the move out of the rental market.

In Zone 1 (Kitchener East), location of 36 per cent of the row housing supply, the vacancy rate increased to 1.5% from 1.4% while in the second largest sub-market, Zone 4 (Waterloo City) the rate rose to 1.2% from 1.0%. Due to the tight market conditions, the average two bedroom rent increased 5.6% to \$776 while three bedroom and larger units increased 4.9% to \$860.

The increase in the vacancy rate can be attributed more to the decline in the row universe than to an increase in vacant units. The survey universe decreased 148 units to 3,185 whereas, the number of vacant units increased by one unit to 49 vacant units. Little change is expected in the row rental market by October 2003. Since October 2001, construction started on 12 private rental row housing units and they will be ready for inclusion in the next survey.

Kitchener CMA (Census Metropolitan Area) Zones based on 1996 Census Boundaries

Zone 1: Kitchener East: Highland Rd. West, Mill St., Victoria Ave (north), N. Dumfries boundaries (New Dundee Rd.) (south), Woolwich Twp. (Grand River) Cambridge, Hwy 401 (east), Trussler Rd. (west)

Zone 2: Kitchener Central: Victoria Ave (north), Highland Rd. West, Mill St. (south), Conestogaa Pkwy (east), Lawrence Ave. (west)

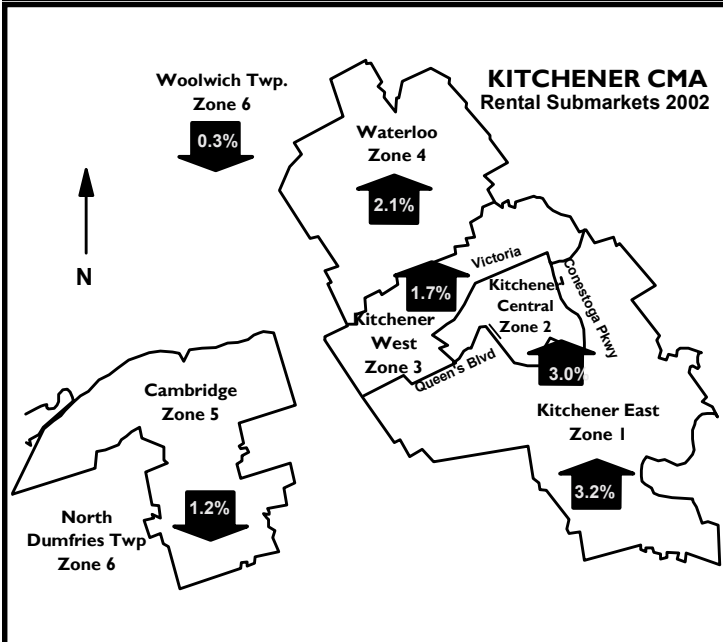
Zone 3: Kitchener West: Waterloo City boundaries (north), Highland Rd. West, Mill St., Victoria Ave (south), Woolwich Twp. (Grand River) (east), Wilmont Line/Wilmont Twp boundaries (west)

Zone 4: Waterloo: Woolwich Twp. boundaries (north), Kitchener City boundaries (south), Woolwich Twp. (Grand River) (east), Wilmont Line (west)

Zone 5: Cambridge: Woolwich Twp. boundaries (north), N. Dumfries Twp boundaries (south), Town Line Rd. (N. Dumfries Twp, Puslinch Twp) (east), Kitchener City boundaries (west)

Zone 6: Woolwich: Waterloo City, Cambridge City boundaries (south), Puslinch Twp (east), Regional Rd 16, Waterloo City, Kitchener City (west)

Zone 6: N. Dumfries: Kitchener City, (north), Cambridge City boundaries (east), Trussler Rd. (west)



How CMHC does the Survey

Canada Mortgage and Housing Corporation conducts the **Rental Market Survey** each year during the first two weeks of October. The purpose of the survey is to objectively measure the number of vacancies and the rents charged in rental buildings. The survey is conducted by telephone or site visit with information on rents obtained from the owner, property manager or building superintendent. Urban areas in Canada with populations over 10,000 are surveyed. New structures must be on the market for at least three months, i.e. completed by June of the survey year to be included. This publication is mainly about privately initiated apartments with three or more units available for rent. However, CMHC's survey also covers private row housing developments and publicly-assisted, non-profit and co-op row housing and apartment projects.

Survey Definitions

Vacancy: The unit must be both physically unoccupied and available for immediate rental.

Rent: This is the actual amount a tenant pays per month for their unit. A rental incentive, for example first month free, is not prorated over the 12-month lease. Extra charges for parking are not added to the rent figure. Utilities and services such as heat, light, hot water, cable and laundry facilities may be included in the monthly rent that the tenant pays. Rents are not adjusted for utilities to produce the weighted average rent figures shown in the report.

Rental apartment: Any building which is not ground-oriented and contains three or

more units available for rent. Owner-occupied unit(s) are not included in the rental buildings unit count. For example, an owner-occupied tri-plex would be excluded from the survey because it has less than three units available for rent. An owner-occupied four-plex would be counted as a three unit rental building.

Rental row house: Any building containing three or more ground-oriented rental units.

Condominiums: Registered condominium apartment and row developments are included in the rental universe where units are tenant-occupied and vacancies are available for rent. Contact us for clarification on how we survey developments that are

occupied by both homeowners and tenants.

Reliability

The comprehensive coverage of the **Rental Market Survey** ensures reliable results by bedroom type; structure size and height; age; and, for the six census-based zones which make up the Kitchener CMA (census metropolitan area). In 2002, private apartment vacancy rates were based on data gathered from 19,891 apartment units or 75.8 per cent of the 3+ apartment universe of 26,235 units. The private row housing sample included 3,029 units from a universe of 3,156 units. And vacancy data was collected from 97.2 per cent of the 7,974 unit publicly assisted universe of apartments and row units.

TABLE 1: APARTMENT VACANCY RATES

Vacancy rates by zone for private 3+ unit buildings (%)										
Kitchener CMA										
Rental Sub-market	All Units		Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +	
	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002
Zone 1 - Kitchener (East)	0.6	3.2	0.0	0.5	1.3	2.4	0.4	3.3	0.0	7.3
Zone 2 - Kitchener (Central)	0.7	3.0	2.1	1.8	0.5	3.5	0.9	2.7	0.0	2.6
Zone 3 - Kitchener (West)	0.6	1.7	0.0	1.5	0.9	1.2	0.4	2.1	**	**
Zones 1-3 Kitchener City	0.6	2.7	0.6	1.3	1.0	2.3	0.4	2.9	0.3	5.6
Zone 4 - Waterloo City	0.8	2.1	**	**	1.9	3.8	0.3	1.3	0.7	2.1
Zone 5 - Cambridge City	1.8	1.2	**	**	2.6	0.7	1.3	1.5	2.2	0.0
Zone 6 - Two Townships	0.7	0.3	0.0	0.0	1.0	0.9	0.6	0.0	**	**
Kitchener CMA	0.9	2.3	1.6	1.0	1.4	2.3	0.6	2.3	0.6	3.7

TABLE 2: APARTMENT STOCK AND VACANCIES

Private 3+ unit apartment universe and vacancies by zone										
Kitchener CMA										
Rental Sub-market	All Units		Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +	
	Vacant Units	Universe	Vacant Units	Universe	Vacant Units	Universe	Vacant Units	Universe	Vacant Units	Universe
Zone 1 - Kitchener (East)	285	8,956	1	200	67	2,760	179	5,477	38	518
Zone 2 - Kitchener (Central)	86	2,847	4	230	47	1,340	33	1,219	2	58
Zone 3 - Kitchener (West)	86	5,027	2	155	22	1,883	60	2,829	*	*
Zones 1-3 Kitchener City	457	16,830	7	585	136	5,983	272	9,526	42	736
Zone 4 - Waterloo City	104	4,965	*	*	56	1,486	39	3,018	8	396
Zone 5 - Cambridge City	50	4,131	*	*	8	1,124	42	2,750	0	193
Zone 6 - Two Townships	1	309	0	6	1	110	0	187	*	*
Kitchener CMA	612	26,234	7	720	201	8,703	354	15,481	50	1,331

TABLE 3: APARTMENT VACANCY RATES

Vacancy rates by age of building and sub-market (%)										
Kitchener CMA										
Rental Sub-market	All Units		Bachelor		1 Bedroom		2 Bedroom		3 Bedroom+	
	Before 1986	1986 and later	Before 1986	1986 and later	Before 1986	1986 and later	Before 1986	1986 and later	Before 1986	1986 and later
Zone 1 - Kitchener (East)	2.9	5.0	0.5	N/U	2.4	2.7	3.0	4.7	5.8	22.4
Zone 2 - Kitchener (Central)	3.4	1.6	2.4	0.0	4.3	1.2	2.7	3.4	3.5	0.0
Zone 3 - Kitchener (West)	1.8	0.4	1.5	N/U	1.1	0.4	2.3	0.4	1.2	N/U
Zone 4 - Waterloo City	0.0	0.0	0.0	N/U	3.6	0.0	1.5	0.0	2.9	0.0
Zone 5 - Cambridge City	1.3	0.0	0.0	N/U	0.7	0.0	1.7	0.0	0.0	0.0
Zone 6 - Two Townships	0.3	N/U	0.0	N/U	0.9	N/U	0.0	N/U	0.0	N/U
Kitchener CMA	2.3	2.4	1.1	0.0	2.3	1.4	2.2	2.5	3.4	6.2

N/U = No units of this type in the Universe

** Information not released to ensure confidentiality and accuracy of survey results

TABLE 4: APARTMENT VACANCY RATES

Vacancy rates by size of building (%) Kitchener CMA											
No. of Rental Units in the Building	All Units			Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +	
	2000	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002
3 - 5 Units	1.5	1.8	1.5	**	**	2.9	1.1	1.5	2.0	**	**
6 - 19 Units	0.9	1.5	2.6	3.2	2.2	2.7	1.7	0.7	3.4	0.8	0.5
20 - 49 Units	1.0	1.1	0.9	2.2	0.0	2.0	0.9	0.5	0.8	2.6	2.2
50 - 99 Units	0.6	0.5	2.4	0.0	2.5	0.5	3.6	0.5	1.7	0.0	4.1
100+ Units	0.3	0.3	3.3	0.0	0.4	0.2	3.3	0.4	3.1	0.0	7.5
All Sizes	0.7	0.9	2.3	1.6	1.0	1.4	2.3	0.6	2.3	0.6	3.7

TABLE 5: APARTMENT VACANCY RATES

Vacancy rates by structure height (%) Kitchener CMA											
Building Height	All Units			Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +	
	2000	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002
1 - 4 Storeys	0.9	1.3	1.6	2.6	0.8	2.3	1.3	0.7	1.8	1.4	1.2
5 - 9 Storeys	0.8	0.4	1.6	0.0	1.9	0.6	1.5	0.4	1.3	0.0	6.1
10+ Storeys	0.3	0.3	3.7	0.0	0.5	0.2	4.7	0.4	3.0	0.0	5.3
All heights	0.7	0.9	2.3	1.6	1.0	1.4	2.3	0.6	2.3	0.6	3.7

TABLE 6: APARTMENT STOCK AND VACANCIES

Private apartment universe and vacancies by structure size Kitchener CMA											
No. of Rental Units in the Building	All Units		Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		
	Vacant Units	Universe	Vacant Units	Universe	Vacant Units	Universe	Vacant Units	Universe	Vacant Units	Universe	
3 - 5 Units	17	1,141	**	**	4	333	13	645	**	**	
6 - 19 Units	167	6,503	5	236	40	2,425	120	3,541	2	301	
20 - 49 Units	54	6,002	0	121	16	1,729	32	3,883	6	269	
50 - 99 Units	106	4,510	1	42	49	1,388	48	2,903	7	176	
100+ Units	268	8,079	1	279	92	2,827	140	4,509	35	464	
All sizes	612	26,234	7	720	201	8,703	354	15,481	50	1,331	

TABLE 7: APARTMENT STOCK AND VACANCIES

Private apartment universe and vacancies by building height Kitchener CMA											
Building Height	All Units		Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		
	Vacant Units	Universe	Vacant Units	Universe	Vacant Units	Universe	Vacant Units	Universe	Vacant Units	Universe	
No Storey Data	96	2,027	**	**	18	746	**	**	**	**	
1 - 4 Storeys	224	13,932	3	383	57	4,428	156	8,509	8	613	
5 - 9 Storeys	68	4,177	1	53	19	1,255	36	2,684	11	185	
10+ Storeys	224	6,099	1	212	107	2,274	96	3,232	20	381	
All heights	612	26,234	7	720	201	8,703	354	15,481	50	1,331	

TABLE 8: APARTMENT RENTS

Average rents by bedroom type and sub-market area (\$)								
Kitchener CMA								
Rental Sub-market	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +	
	2001	2002	2001	2002	2001	2002	2001	2002
Zone 1 - Kitchener (East)	521	560	601	624	706	741	868	894
Zone 2 - Kitchener (Central)	429	453	590	615	713	742	1,045	964
Zone 3 - Kitchener (West)	503	540	630	659	740	774	**	**
Zones 1-3 Kitchener City	489	518	609	634	717	751	869	902
Zone 4 - Waterloo City	**	**	660	668	787	805	1,139	979
Zone 5 - Cambridge City	**	**	592	622	666	688	721	722
Zone 6 - Two Townships	477	495	557	577	642	676	**	**
Kitchener CMA	481	518	615	638	722	750	951	898

TABLE 9: APARTMENT RENTS

Average rents by age of building, bedroom type and sub-market area(\$)								
Kitchener CMA								
Rental Sub-market	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +	
	Before 1986	1986 & Later	Before 1986	1986 & Later	Before 1986	1986 & Later	Before 1986	1986 & Later
Zone 1 - Kitchener (East)	564	N/U	623	700	734	785	895	1,083
Zone 2 - Kitchener (Central)	453	N/U	614	619	746	555	1,007	667
Zone 3 - Kitchener (West)	540	N/U	643	829	753	924	904	N/U
Zone 4 - Waterloo City	549	N/U	671	600	783	978	937	1,134
Zone 5 - Cambridge City	484	N/U	622	617	687	698	723	N/U
Zone 6 - Two Townships	495	N/U	577	N/U	676	N/U	724	N/U
Kitchener CMA	519	N/U	634	716	739	840	887	1,079

TABLE 10: APARTMENT VACANCY RATES

Vacancy rates by rent range (%)										
Kitchener CMA										
Rental Sub-market	All Units		Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +	
	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002
< \$350	**	**	**	**	**	**	N/U	N/U	N/U	N/U
\$350 - \$399	2.0	*	*	*	*	*	*	*	N/U	N/U
\$400 - \$449	1.8	0.0	*	0.0	2.6	*	*	*	N/U	N/U
\$450 - \$499	4.5	0.7	*	1.8	5.3	0.3	*	*	N/U	*
\$500 - \$549	0.6	0.7	*	*	0.0	0.6	*	1.1	*	*
\$550 - \$599	2.5	1.1	*	0.8	1.8	0.9	3.9	1.8	N/U	*
\$600 - \$649	0.5	0.9	N/U	*	*	0.9	*	1.1	*	*
\$650 - \$699	2.4	1.9	N/U	*	*	3.3	*	1.2	N/U	*
\$700 - \$749	*	2.4	N/U	*	*	2.4	*	2.5	*	0.0
\$750 - \$799	*	1.9	N/U	N/U	*	3.8	*	1.6	*	*
\$800 - \$849	*	3.1	N/U	N/U	N/U	*	*	1.9	*	2.2
\$850 +	*	4.0	N/U	*	*	*	*	3.7	*	5.8

N/U = No units of this type in the Universe

** Information not released to ensure confidentiality and accuracy of survey results

TABLE 11: ROW-HOUSING VACANCIES AND SUPPLY

Vacancy rates (%) and rental stock by sub-market and bedroom type Kitchener CMA												
Rental Sub-market	Vacancy Rate						Rental Stock					
	All Units		2 Bedroom		3 Bedroom+		All Units		2 Bedroom		3 Bedroom+	
	2001	2002	2001	2002	2001	2002	Vacant units	Universe	Vacant units	Universe	Vacant units	Universe
Zone 1 - Kitchener (East)	1.3	1.5	1.6	0.8	1.1	1.9	17	1,136	3	389	14	737
Zone 2 - Kitchener (Central)	2.6	**	**	**	**	**	**	**	**	**	**	**
Zone 3 - Kitchener (West)	1.4	2.5	0.0	**	2.3	**	7	287	**	**	**	**
Zones 1-3 Kitchener City	1.3	1.6	1.2	1.3	1.3	1.8	24	1,501	7	525	18	962
Zone 4 - Waterloo City	1.0	1.2	**	0.3	0.9	1.9	11	928	1	359	10	537
Zone 5 - Cambridge City	2.3	1.8	0.7	0.8	6.6	4.4	14	733	4	503	9	212
Zone 6 - Two Townships	**	**	**	**	N/A	**	**	**	**	**	**	**
Kitchener CMA	1.4	1.5	1.0	0.8	1.8	2.2	49	3,185	12	1,406	37	1,712

TABLE 12: AVERAGE RENTS IN PRIVATE ROW-HOUSE UNITS (\$)

Average rents by age of project, bedroom type and sub-market area (\$) Kitchener CMA								
Rental Sub-market	2 Bedroom				3 Bedroom +			
	2001	2002	Before 1986	1986 & Later	2001	2002	Before 1986	1986 & Later
Zone 1 - Kitchener (East)	781	807	802	864	796	835	809	966
Zone 2 - Kitchener (Central)	N/A	N/A	N/A	N/A	**	**	**	**
Zone 3 - Kitchener (West)	950	**	**	**	837	**	**	**
Zone 4 - Waterloo City	**	828	809	888	907	939	934	968
Zone 5 - Cambridge City	632	650	650	700	723	771	771	N/U
Zone 6 - Two Townships	**	**	**	**	N/A	N/A	N/A	N/A
Kitchener CMA	735	776	738	1,017	820	860	843	969

N/U = No units of this type in the Universe

** Information not released to ensure confidentiality and accuracy of survey results

Acknowledgement

The success of the **Rental Market Survey** depends on the co-operation of property owners and property managers in providing timely and accurate information to our survey enumerators. Thank you for your assistance. We sincerely hope that the results of our efforts together will be of benefit to those directly and indirectly involved in the rental housing industry.

TABLE 13: ROW-HOUSING

Vacancy rates (%), average rents (\$) and rental stock by age of project												
Kitchener CMA												
Completion Year	All units		2 Bedroom		3 Bedroom +		2 Bedroom		3 Bedroom +		All units	
	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	Vacant units	Universe
Pre-1940	4.3	*	*	0.0	4.7	0.0	*	*	826	743	0	55
1940-1959	3.6	*	*	0.0	4.3	0.0	*	*	700	807	0	58
1960-1975	1.8	2.2	0.5	1.0	3.3	3.5	803	719	831	848	36	1,618
1976-1985	1.5	0.7	2.5	0.4	0.7	1.0	885	812	770	854	4	545
1986 and later	0.5	1.0	0.9	0.7	0.2	1.3	687	1,017	*	969	9	908
Total	1.4	1.5	1.0	0.8	1.8	2.2	816	776	811	861	49	3,185

TABLE 14: PRIVATE APARTMENT UNIVERSE

Apartment vacancies and universe by building age										
Kitchener CMA										
Completion Year	All Units		Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +	
	Vacant Units	Universe	Vacant Units	Universe	Vacant Units	Universe	Vacant Units	Universe	Vacant Units	Universe
No date available	12	208	0	18	8	74	4	112	0	4
Pre-1940	17	454	5	53	5	261	6	133	2	8
1940-1959	28	1,241	0	97	8	538	19	586	0	20
1960-1975	384	15,949	2	363	124	5,485	223	9,125	35	976
1976-1985	91	5,008	0	135	44	1,483	45	3,244	2	146
1986 and later	80	3,374	0	54	12	862	57	2,281	11	177
Total	612	26,234	7	720	201	8,703	354	15,481	50	1,331

TABLE 15: ASSISTED STOCK AND VACANCIES

Assisted apartment and row supply and vacancies by sub-market and bedroom type										
Kitchener CMA										
Rental Sub-market	All Units		Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +	
	Vacant Units	Universe	Vacant Units	Universe	Vacant Units	Universe	Vacant Units	Universe	Vacant Units	Universe
Zone 1 - Kitchener (East)	68	2,552	0	10	6	734	49	937	13	870
Zone 2 - Kitchener (Central)	1	678	0	39	0	404	1	145	0	90
Zone 3 - Kitchener (West)	3	897	N/L	N/L	0	185	2	292	1	420
Zones 1-3 Kitchener City	72	4,127	0	49	6	1,323	52	1,374	14	1,380
Zone 4 - Waterloo City	7	1,287	0	21	0	320	4	398	3	548
Zone 5 - Cambridge City	14	2,452	0	78	1	1,001	10	656	3	717
Zone 6 - Two Townships	0	108	0	102	0	6	N/L	N/L	N/L	N/L
Kitchener CMA - All	93	7,974	0	148	7	2,746	66	2,434	20	2,645
- Apt	58	4,448	0	147	7	2,715	43	1,179	8	406
- Row	35	3,526	0	1	0	31	23	1,255	12	2,239

TABLE 16: HISTORICAL APARTMENT VACANCY RATES AND RENTS

Historical Apartment Vacancy Rates and Average Rents by structure age Kitchener CMA: 1996-2002															
	Completion Date	Vacancy Rates (%)								Average Rents (\$)					
		1996	1997	1998	1999	2000	2001	2002	1996	1997	1998	1999	2000	2001	2002
Bachelor	Before 1940	1.2	9.5	14.4	4.3	2.9	10.6	10.0	354	312	284	299	391	381	402
	1940-1959	6.4	3.5	4.4	1.3	3.3	0.0	0.0	358	372	355	394	403	438	438
	1960-1975	4.7	4.2	1.2	2.1	3.6	1.2	0.6	415	438	440	445	480	478	515
	1976-1985	1.7	0.0	4.5	0.0	0.0	0.0	0.0	472	479	504	499	569	587	622
	1986 and later	-	-	-	-	-	-	0.0	-	-	-	-	-	-	-
	Total	4.0	4.4	3.5	2.3	2.6	1.6	1.0	405	409	419	434	483	481	518
One Bedroom	Before 1940	4.9	3.7	16.6	0.0	3.1	5.0	1.7	419	397	420	432	469	500	534
	1940-1959	3.8	2.5	0.5	1.8	1.6	1.9	1.6	433	451	449	456	488	491	530
	1960-1975	1.4	2.3	1.3	0.8	0.7	1.3	2.3	519	537	544	554	585	613	636
	1976-1985	2.1	1.6	0.6	0.5	0.1	1.2	3.0	575	574	588	600	642	651	680
	1986 and later	4.1	1.5	3.6	1.6	0.0	0.2	1.4	624	592	590	693	747	715	716
	Total	2.2	2.2	1.7	0.8	0.7	1.4	2.3	525	538	545	565	598	615	638
Two Bedroom	Before 1940	1.9	4.1	11.0	2.5	6.4	1.2	4.6	482	510	509	531	568	558	635
	1940-1959	5.4	3.2	2.7	1.3	0.5	1.2	3.2	508	535	548	557	601	609	625
	1960-1975	0.9	1.1	1.1	0.8	0.7	0.6	2.4	599	610	623	637	664	697	731
	1976-1985	1.8	3.1	1.5	0.8	0.4	0.3	1.4	670	679	696	703	753	766	789
	1986 and later	1.9	1.0	1.1	1.7	0.5	0.4	2.5	703	698	674	750	795	807	840
	Total	1.4	1.7	1.3	1.0	0.6	0.6	2.3	623	630	641	660	697	722	750
Three Bedroom+	Before 1940	0.0	0.0	0.0	0.0	10.5	0.0	18.9	540	655	525	735	639	1,379	783
	1940-1959	3.1	0.0	0.0	0.0	0.0	0.0	0.0	621	569	667	567	669	695	705
	1960-1975	1.2	1.5	1.8	0.9	0.7	0.6	3.6	729	731	752	771	804	918	878
	1976-1985	5.5	1.3	0.7	0.0	1.2	1.8	1.4	811	853	853	831	905	985	975
	1986 and later	2.2	0.0	0.0	0.0	0.0	0.0	6.2	817	852	918	1,097	927	1,271	1,079
	Total	2.1	1.3	1.5	0.7	0.8	0.6	3.7	739	743	771	782	820	951	898
All Bedroom Types	Before 1940	3.4	4.8	14.7	1.4	4.4	4.2	3.8							
	1940-1959	4.7	2.8	1.7	1.5	1.2	1.4	2.2							
	1960-1975	1.2	1.6	1.2	0.8	0.7	0.9	2.4							
	1976-1985	2.0	2.6	1.2	0.7	0.3	0.6	1.8							
	1986 and later	2.5	1.1	1.6	1.6	0.4	0.3	2.4							
	Total	1.8	1.9	1.5	1.0	0.7	0.9	2.3							

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