

R

ENTAL MARKET

REPORT

Toronto CMA

Canada Mortgage and Housing Corporation

October 2003 Survey

Toronto CMA Rents Flatten as Vacancy Rates Rise to 3.8% in 2003

Toronto's rental market continued to ease, according to the 2003 survey results. After jumping in 2002, CMHC's *Rental Market Survey* indicated a further rise in Toronto's vacancy rate. The continued rise in the Toronto vacancy rate is attributed to two main factors: weaker net rental demand and the expansion of the apartment universe. Rental demand continued to soften as declining mortgage rates helped keep the cost gap between owning and renting relatively small, opening doors to more buyers. In addition, condominium completions enabled first time buyers of years past to take

possession of their new units this year, pushing vacancies up further. The inflow of new renters was unable to offset this outflow as immigration and youth job growth remained weak through 2003. Weaker net rental demand was met with more supply as conventional apartment completions accelerated, pushing the rental universe up particularly in the core. Consequently, the Toronto vacancy rate rose to its highest level since the inception of the survey.

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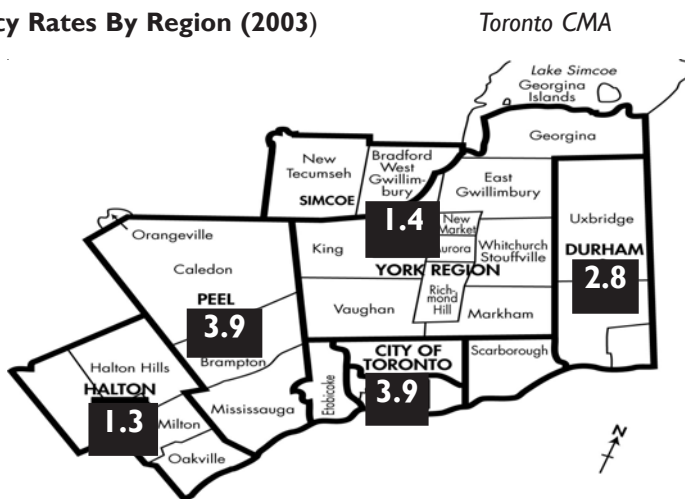
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Rising Toronto area vacancies have also resulted in a softer rent environment for the first time in 2003. This is in stark contrast to the norm of rent increases witnessed immediately following the introduction of the *Tenant Protection Act (TPA)* legislation. Since 1998, landlords have been able to move rents closer to market upon units being vacated. With more units staying vacant longer over the past couple of years, declining demand is beginning to be reflected in a downward adjustment in market rents and therefore asking rents. Both decontrolled and occupied units have been impacted this year limiting price pressures, particularly in City of Toronto neighbourhoods.

Toronto's rental market is in transition. Rental conditions will continue softening. The push to homeownership will continue to push vacancy rates higher, albeit at a slower rate, as first time buyers remain reasonably active next year. Secondly, new home completions will continue to accelerate. A number of first time buyers/renter households of years past will take occupancy of their newly completed lowrise and highrise homes-- pushing vacancies up further. However, the replacement rate should strengthen as immigration and youth job growth increase in strength through 2004.

Vacancy rates on the rise in other Canadian Centres

The average rental apartment vacancy rate in Canada's 28 metropolitan areas rose to 2.2% in October 2003 from 1.7% in 2002. However, it is below the average of 3.4% over the 1992 to 2002 period.

Similar to the local story, low mortgage rates which reduced mortgage carrying costs, helped bring homeownership within the reach of

many renter households. Vacancies also rose because rental apartment completions added new rental supply in many urban centres.

Vacancy rates were higher than one year ago in 20 of Canada's 28 metropolitan areas. Saint John, Saguenay, Saskatoon, Calgary and Windsor had the highest vacancy rates while Quebec, Sherbrooke, Victoria, Montreal and Gatineau were among the cities with the lowest vacancy rates.

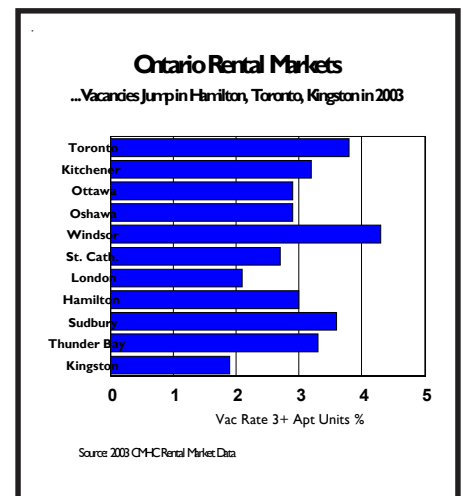
Nationally, vacancy rates have increased across the range of rent levels in a number of large centres. Nevertheless, at the most affordable level there is still an inadequate supply of units. Therefore there is a need to add to the affordable rental stock. This fact is reinforced by evidence that a large proportion of low income families have to pay more than 30 per cent of their income for rent.

Vacancy rates were higher in nine of Ontario's 11 metropolitan areas. Rates increased by at least one percentage point in Hamilton, Toronto, Kingston and Ottawa.

CMHC's annual survey also showed that average rents for two bedroom apartments increased in all metropolitan areas except Toronto and Calgary where rents were essentially flat. The highest increase occurred in Gatineau where rents were up by 6.7%. Kingston posted the second largest increase at 5.6%.

The highest average monthly rents for two bedroom apartments were in Toronto (\$1040) followed by Vancouver (\$985) and Ottawa (\$932). The lowest average rents were in Trois-Rivieres (\$436) and Saguenay (\$457).

Apartment Vacancy Rates : Major Metro Areas (All units)		
	2002	2003
Atlantic Region		
St. John's	2.7	2.0
Halifax	2.7	2.3
Saint John	6.3	5.2
Quebec Region		
Gatineau	0.5	1.2
Montreal	0.7	1.0
Quebec	0.3	0.5
Sherbrooke	1.8	5.2
Saguenay	4.9	0.7
Trois-Rivieres	3.0	1.5
Ontario Region		
Hamilton	1.6	3.0
Kingston	0.9	1.9
Kitchener	2.3	3.2
London	2.0	2.1
Oshawa	2.3	2.9
Ottawa	1.9	2.9
St. Catharines-Niagara	2.4	2.7
Greater Sudbury	5.1	3.6
Thunder Bay	4.7	3.3
Toronto	2.5	3.8
Windsor	3.9	4.3
Prairie Region		
Calgary	2.9	4.4
Edmonton	1.7	3.4
Regina	1.9	2.1
Saskatoon	3.7	4.5
Winnipeg	1.2	1.3
British Columbia Region		
Abbotsford	2.0	2.5
Vancouver	1.4	2.0
Victoria	1.5	1.1
Total	1.7	2.2



2003 RMS SUMMARY

Vacancy Rates	2002	2003
Bachelor	2.8%	4.2%
1-Bedroom	2.7%	3.9%
2-Bedroom	2.4%	3.7%
3-Bedroom+	2.3%	3.6%
Total	2.5%	3.8%

Toronto CMA

Average Rents	2002	2003
Bachelor	\$729	\$731
1-Bedroom	\$891	\$884
2-Bedroom	\$1047	\$1040
3-Bedroom	\$1253	\$1211
Total	\$975	\$964

Toronto CMA Vacancy Rate Rises to its Highest Level in 2003

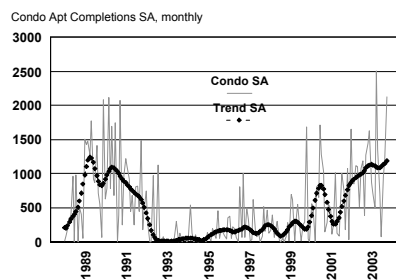
As expected, Toronto's rental market continued to soften. CMHC's 2003 rental market results indicated a rise in Toronto's vacancy rate to 3.8% from 2.5% in 2002. What this means is that for every 1000 privately initiated apartment units, there were 38 units which remained vacant in 2003. Although the magnitude of the vacancy increase was smaller this year vs last, Toronto was again among the few urban centres which experienced at least a greater than one percentage point increase. What factors contributed to the rise in the Toronto vacancy rate to its highest level ever?

Demand for rental accommodation in the Toronto area continued to weaken. A decrease in mortgage rates through 2003 helped to mitigate the impact of rising home prices on mortgage carrying costs, helping to constrain the cost gap between owning and renting. This helped open doors to more first time buyers particularly for those paying mid to higher end monthly rents. Indeed, Toronto MLS sales are poised to break another record in 2003.

Secondly, condominium apartment completions, particularly in the core, have edged higher through this year. First time buyers of years past have taken possession of their new condo units and have vacated their existing rental suites. In fact, owner occupiers have had a more dampening impact on the rental market than investor owned completions. In this year's edition of the GTA condominium survey, survey results showed net selling among the investor public. A combination of rising existing vacancies, softer rents and rising condo prices enticed more investors to exit the market, limiting the drag on conventional apartment vacancies.

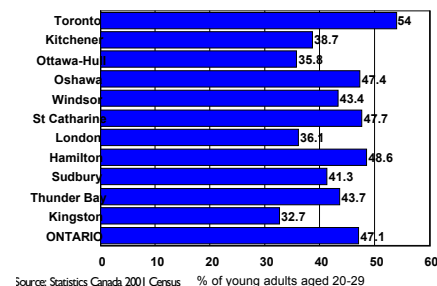
The inflow of new renter households was unable to offset this outflow as immigration and youth job growth remained weak through this year. On the immigration front, the SARS epidemic and other geopolitical concerns have resulted in a 20% decline in Toronto immigration levels between January and September 2003 compared to the same period in 2002. Key to rental demand historically has been the immigration factor which offered little support in 2003. Alternatively, youth job growth remained weak, keeping more young adults from leaving the home. Low interest rates made home prospects that much more achievable causing some young adults to bypass the rental market altogether.

Toronto Condo Apt Completions Trend Higher



Source: CMHC Starts & Completions Survey

More Toronto Youth Staying Home Longer



Source: Statistics Canada 2001 Census % of young adults aged 20-29

Consequently, net rental demand and renter household formation weakened pushing vacancies up further this year.

Demand for all bedroom types continues subsiding

All bedroom types again experienced increases in vacancies in 2003. However, some bedroom types saw vacancy rate levels above CMA averages. Bachelor and one bedroom units were again notable examples. Bachelor unit rental supply was most pronounced again in this year's survey at a vacancy rate of 4.2% while one bedroom vacancy rates hit a level of 3.9%. The explanation is found in recent homebuyer profiles. CMHC's *Consumer Intentions to Buy and Renovate a Home Survey* indicated for a second consecutive year that smaller households continued to dominate the market for homeownership. One and two person households were most likely to have vacated their rental units,-- dampening demand for smaller sized rental accommodation.

Older buildings carried higher vacancies

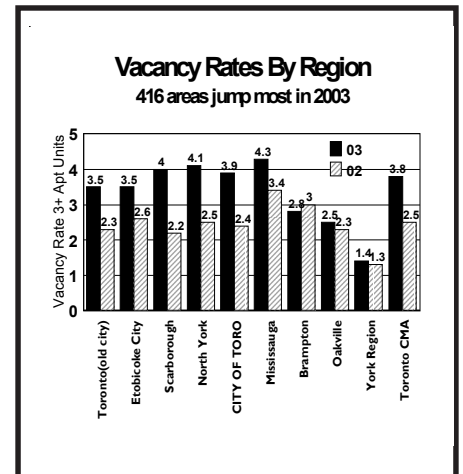
Rental units in older buildings built before 1960 carried higher vacancies. Much of this older stock likely faced more competition from a greater availability of higher quality stock charging comparable rental rates. This resulted in higher vacancies as people shifted into better quality stock.

Vacancies jump most in City of Toronto

Examination of submarkets reveals that the biggest jump in vacancies occurred in 416 areas of the City of Toronto. Topping the list are Scarborough, North York City and Old City of Toronto. Vacancy rate levels here exceeded CMA averages. Not surprisingly, these areas were also home to the strongest expansion in the apartment and condominium universe. With a larger share of the rental stock in the city, renters shifting into the existing ownership housing stock and new condo stock helped push vacancies up strongly in these areas. In addition, while the overall stock of rented condominiums declined across the Toronto area, it remained more stable in the old city of Toronto, adding further to competitive pressures on conventional rental.

After 905 vacancies jumped most in 2002, the rise in this year's survey has been more mild. Mississauga and

Oakville areas showed a more pronounced softening in rental conditions while York Region and Brampton vacancies stayed at or slightly below 2002 levels. This has come despite strong homeownership trends in the suburbs vs core areas across the GTA. This certainly suggests that a combination of more 905 move-up buyers and more demand for housing from City of Toronto owner households has driven home sales in 905 areas in this year's survey.



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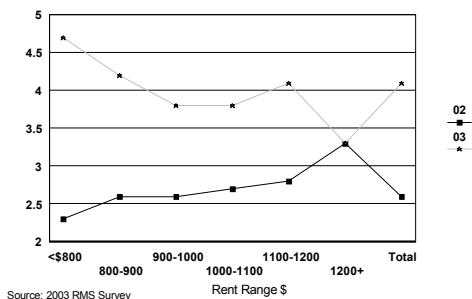
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**Vacancy Rates By Rent Range By Bedroom Type/Private Apartments-3+Units
Toronto CMA, 2002-2003**

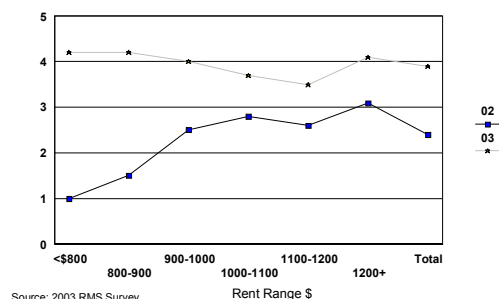
RENT RANGE	Bachelor		RENT RANGE	1 Bedroom		2 Bedroom	
	2002	2003		2002	2003	2002	2003
< \$600	5.1	4.4	< \$800	1.8	4.8	1.0	4.2
\$600-699	2.8	5.9	\$800-899	3.3	4.6	1.5	4.2
\$700-799	2.8	3.6	\$900-999	3.0	3.5	2.5	4.0
\$800-899	1.9	3.8	\$1000-1099	2.3	4.0	2.8	3.7
\$900-999	2.8	6.1	\$1100-1199	2.3	3.2	2.6	3.5
\$1000 and over	5.8	**	\$1200 and over	4.4	2.2	3.1	4.1
Total	3.1	4.4	Total	2.8	4.2	2.4	3.9

RENT RANGE	3 Bedroom		RENT RANGE	All Units			
	2002	2003		2002	2003		
< \$900	2.6	0.6	< \$800	2.1	4.6		
\$900-999	0.4	3.8	\$800-899	2.7	4.4		
\$1000-1099	2.2	4.1	\$900-999	2.7	3.8		
\$1100-1199	2.3	4.1	\$1000-1099	2.6	3.8		
\$1200-1299	2.4	4.0	\$1100-1199	2.6	3.6		
\$1300 and over	3.6	3.6	\$1200 and over	3.3	3.7		
Total	2.5	3.8	Total	2.6	4.1		

**Vacancy Rates By Rent Range
(all units)**



**Vacancy Rates by Rent Range
2-bed units (CMA)**



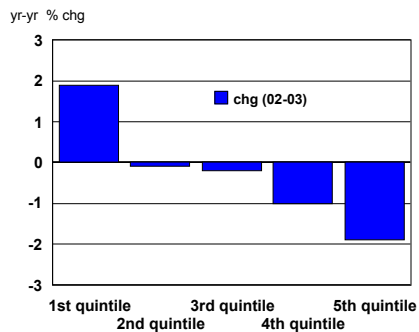
Vacancy Rates Rise Most at Lower Rent Ranges in 2003

An easing in Toronto rental market conditions over the past several years has occurred at higher rent ranges. Here low interest rates made home ownership attainable and preferable for many renter households, particularly those paying high end rents. In the 2003 survey, while vacancy rates rose across the rent spectrum, larger increases were witnessed at the low end. Indeed, if

we look at the lowest quintile of rents, vacancy rates doubled while only growing at half that pace at higher quintiles. A similar story develops when looking at Toronto vacancy rates by broader rent ranges. It is clear that not all renter households were in a position to move into home ownership, particularly at the lower end of the spectrum. Recent census results confirmed this

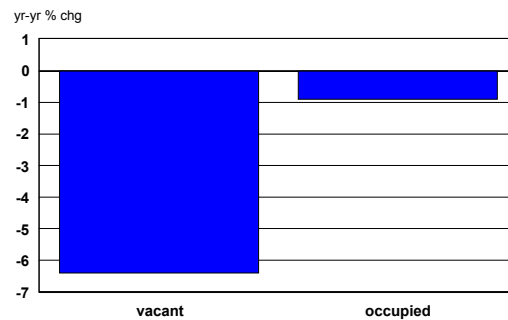
showing that 36.9% of renter households were paying over 30% of income on rent. This suggests that an affordability problem does exist. Instead, it is likely that these households moved into better quality rental accommodation at a slightly higher cost to what they were paying. This helped free up units at the lower end particularly when immigration flows weren't strong enough to absorb these units.

Toronto CMA Avg Rent Chg By Quintile*(2003)



* 1st quintile=lowest 20% of rents, 5th quintile=highest 20% of rents

Toronto CMA Avg Rent chg (overall) occupied vs unoccupied



Toronto Overall Rents Flatten for the First Time in History

An upward trending vacancy rate over the past few years has helped put a lid on Toronto rent increases. Improved home ownership costs have added competitive pressures and have limited a landlord's ability to pass on higher rent increases. According to 2003 survey results, overall rents dropped by a rate of 1.1% for the first time since the inception of the survey. This was slower than the 2.7% increase registered in last year's survey. The mild softening in rents was spread evenly across one and two bedroom unit types. However, three bedroom apartment rents dropped most while bachelor unit rents held up better. Consequently, for a second consecutive year, more of a tenant's market has resulted in a negative growth in 2-bedroom real rents. What factors specifically have contributed to a softening of rents in the past year?

Firstly, while some landlords have preserved rent levels by offering non price incentives, others have had to cut rents on turned over units. Indeed Toronto CMA asking rents on vacant units surveyed have dropped between five to ten percent over the past year.

Much of this was motivated by turned over units that remained vacant longer. With more units turning over post 2001 because of strong first time buyer led home sales, combined with slower demand, this has resulted in a downward adjustment in market rents and therefore asking rents.

Secondly, rents passed on to sitting tenants also faced some mild softening. For most of 2003, landlords have attempted to preserve existing tenancies. This has encouraged them to hold the line on rents. Few if any landlords attempted to pass even the minimum 2.9% rent review guideline amount onto sitting tenants.

Low end rents hold up

Average rents in the fourth and fifth quintiles (ie.higher end) fell in 2003 by one and two percent, respectively. Conversely, rents at the lower end increased in 2003, up two per cent compared to 2002. While average rents increased at the low-end of the market, the rate of growth slowed considerably, down nearly 5 percentage points compared to the 6.9 per cent increase observed in 2002.

This slower pace of growth in rents is consistent with rising vacancy rates in this market segment. Indeed, rising vacancy rates in all rent ranges led to slower growth in rents in 2003 compared to the previous year.

Rents in 416 drop most

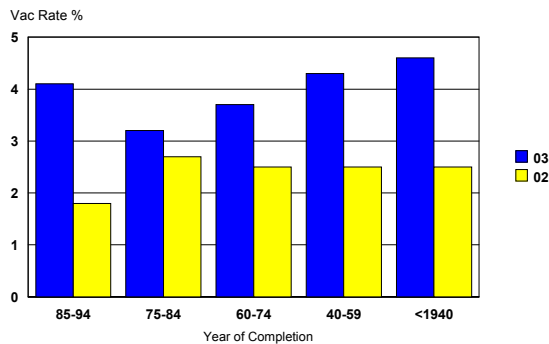
Areas with above CMA average vacancies and stronger condo completions were most likely to have registered bigger drops in rents. This would include areas like the Yonge uptown corridor (North York), parts of Scarborough and the Old City. Alternatively, 905 area rents remained more stable in this year's survey.

**Vacancy Rates and Average Rents By Age of Structure and Bedroom Type/Private Apartments-3+Units
Toronto CMA, 2002-2003**

Vac Rate	All Units		Bachelor		One Bedroom		Two Bedroom		Three Bedroom +	
	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003
No Data Available	**	**	**	**	**	**	**	**	**	**
Pre 1940	2.5	4.6	3.7	7.4	2.1	3.6	2.3	4.4	1.7	1.4
1940-1959	2.5	4.3	3.4	3.7	2.6	4.9	2.2	3.8	1.7	4.3
1960-1974	2.5	3.7	2.6	3.5	2.8	3.8	2.3	3.6	2.5	3.8
1975-1984	2.7	3.2	1.3	4.0	2.4	2.9	3.2	3.3	2.4	2.9
1985-1994	1.8	4.1	**	**	4.2	5.4	0.8	4.3	0.5	0.7
1995 and After	**	**	**	**	**	**	**	**	**	**
Total	2.5	3.8	2.8	4.2	2.7	3.9	2.4	3.7	2.3	3.6
Avg Rent										
No Data Available	**	**	**	**	**	**	**	**	**	**
Pre 1940	945	916	663	650	845	868	1145	1102	1772	1507
1940-1959	872	870	690	690	828	820	950	953	1232	1128
1960-1974	979	970	753	748	897	890	1036	1029	1234	1210
1975-1984	1092	1050	802	785	997	964	1148	1126	1262	1220
1985-1994	1076	1038	**	**	982	958	1153	1094	1185	1109
1995 and After	**	**	**	**	**	**	**	**	**	**
Total	975	964	729	731	891	884	1047	1040	1253	1211

Vacancy Rate by Completion Date

...older buildings carry higher vacancies



Source: 2003 RMS Survey

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**Vacancy Rates and Average Rents By Size & By Bedroom Type/Private Apartments-3+Units
Toronto CMA, 2002-2003**

Vac Rate	All Units		Bachelor		One Bedroom		Two Bedroom		Three Bedroom+	
	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003
3 - 5 Units	2.0	3.5	1.9	5.2	1.4	2.6	2.3	3.9	2.2	2.4
6 - 19 Units	2.2	4.8	6.3	5.3	1.9	5.2	1.7	4.3	0.9	5.1
20 - 49 Units	2.4	4.3	3.4	7.1	2.4	4.1	1.9	3.7	0.7	2.1
50 - 99 Units	2.4	3.7	2.4	3.6	2.8	4.1	2.1	3.5	1.6	2.7
100+ Units	2.7	3.6	2.1	3.2	2.8	3.7	2.6	3.6	2.6	3.8
Total	2.5	3.8	2.8	4.2	2.7	3.9	2.4	3.7	2.3	3.6
Avg Rent										
3 - 5 Units	1,019	948	626	588	816	856	1,090	997	1,428	1,164
6 - 19 Units	861	853	645	584	784	767	936	943	1,206	1,215
20 - 49 Units	848	875	655	668	817	834	947	983	1,182	1,276
50 - 99 Units	917	917	720	720	851	859	982	981	1,176	1,106
100+ Units	1,027	1,008	785	778	936	919	1,092	1,081	1,264	1,234
Total	975	964	729	731	891	884	1,047	1,040	1,253	1,211

Consumer Intentions to Buy or Renovate a Home Survey

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Toronto Rental Market Outlook 2004

Upward pressure on Toronto vacancies will continue to put downward pressure on rents in 2004. With only marginal increases in mortgage carrying costs projected over the next 12 months, this will severely limit a landlords ability to move rents up. Indeed, for a second consecutive year, rent increases after inflation will remain in negative territory. This is in stark contrast to the real rent increases witnessed immediately following the *Tenant Protection Act* (TPA) becoming law. Legislative changes then enabled rents to move to levels consistent with demand-supply conditions, particularly in core areas. As the market has softened, so too have market and asking rents. Looking ahead, what factors will continue to weigh on Toronto rents in 2004?

Firstly, units turning over are staying vacant longer. In order to attract tenants, landlords will continue offering a combination of non price and rent incentives over the next 12 months. Anecdotal evidence for the final quarter in 2003 indicates that a continued softening in asking rents has been registered. Although more mild in scope, this environment should be sustained particularly as competition for tenants continues.

Secondly and as was witnessed this year, landlords will also hold the line on rents for sitting tenants through 2004. Comparison shopping among tenants will gain in strength through the next year. This is particularly true as more of the upgraded stock over the past year becomes available. Landlords recognizing this, will try to preserve existing tenancies by avoiding any rent review guideline increases altogether.

Thirdly, constrained rents pre TPA were able to move to market post TPA. Continued high vacancy rates in 2004 will continue to constrain rents across all price ranges. Consequently, CMHC's average 2-bed-room apartment rent will soften by another 0.5% to \$1035 in 2004.

In addition, rental vacancy rates will continue to edge up, albeit at a slower rate in 2004. The biggest challenge to the purpose built rental market will be home completions, particularly condominiums. It is estimated that 12,000-14,000 condo apartment completions annually will hit the market over the next few years.

Recent investor selling should mean owner occupiers will weigh most on conventional rental. To be sure, recent surveys suggest as much as 70% of these potential completions were from end users of which 60% were first time buyers of years past. This translates into about 5500 units that first time buyers will take occupancy of over the next year--requiring their existing rental suites be vacated.

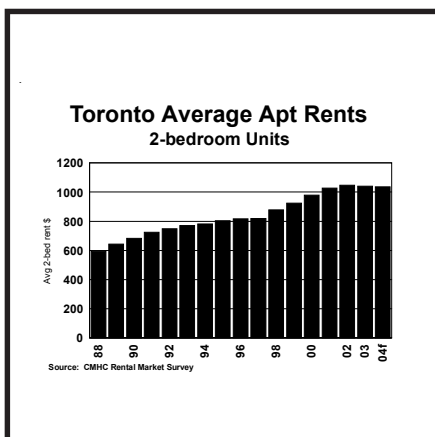
Secondly, while first time buyers may not be as active, the ownership market will remain brisk in 2004. The shift of tenure, albeit at a slower pace, will trigger additional vacancies.

However, there are also other factors that should provide a positive offset to Toronto's rental market. These factors should help temper the magnitude of vacancy increases and rent reductions. Firstly, immigration flows into Toronto have bounced back in Q4 most likely in response to a more accommodating rating system for new immigrants. Demand for rental accommodation should gain a boost by this.

Secondly, a meaningful pickup in youth job growth through 2004 should also bode well for rental demand.

Finally, although aggressive discounting of rents for sitting tenants isn't likely, landlords will again be looking to preserve existing tenancies. This should further help stem the outflow of renters.

Taken together a more mild increase in vacancies and rent reductions is anticipated next year. CMHC predicts the Toronto vacancy rate should rise to 4.5% in 2004.



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 private structures. The survey is conducted on a sample basis in all urban areas with populations of 10,000 or more. Only structures that have been on the market for at least three months are included. While this report is mainly about privately initiated rental apartment structures of three or more units, the survey also includes rented row units and publicly initiated rental and co-op housing.

The survey is conducted by telephone or site visit, and information is obtained from the owner, manager, or building superintendent. The survey is conducted in the first two weeks of October and the results reflect market conditions of that time.

Definitions

Vacancy:

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

Rent:

Rent refers to the actual amount tenants pay. Amenities and services, such as heat, light, parking, hot water, and laundry facilities, may or may not be included in the rent. The average rent figures reported in this report represent the average of different units, which may have some or all of the services included in the rent.

Rental Apartment Structure:

Any building containing three or more rental dwellings that are not ground oriented.

Toronto CMA Zone Boundaries

Zone	Location	North	East	South	West	Census Tract
1	Toronto (Central)	C.P.R. Line	City Limit & Don River	Lake Ontario	Bathurst St. (East Side)	2, 11-17, 30-39, 59-68, 86-92
2	Toronto (East)	City Limit	City Limit	Lake Ontario	Don River	1, 18-19, 69-85
3	Toronto (North)	City Limit	City Limit	C.P.R. Line	City Limit (Bathurst St. East Side)	117-142
4	Toronto (West)	City Limit	Bathurst St. (West Side)	Lake Ontario	City Limit	3-10, 40-58, 93-116
5	Etobicoke (South)	Bloor St. West	Humber River	Lake Ontario	Etobicoke Creek	200-220
6	Etobicoke (Central)	Highway 401	Humber River	Bloor St. West	Etobicoke Creek	221-243
7	Etobicoke (North)	Steeles Ave.	Humber River	Highway 401	Etobicoke Creek	244-250
8	York City					150-176
9	East York (Borough)					180-196
10	Scarborough (Central)	Highway 401	Brimley Rd. & McCowan Rd.	Lake Ontario	City Limit	334-353, 369-373
11	Scarborough (North)	Steeles Ave.	City Limit	Highway 401 & Twyn River Dr.	City Limit	374-378
12	Scarborough (East)	Highway 401 & Twyn River Dr.	City Limit	Lake Ontario	Brimley Rd. & McCowan Rd.	330-333, 354-368, 802
13	North York (Southeast)	Highway 401	City Limit	City Limit	Yonge St.	260-274
14	North York (Northeast)	Steeles Ave.	City Limit	Highway 401	Yonge St.	300-307, 321-324
15	North York (Southwest)	Highway 401	Yonge St. & City Limit	City Limit	City Limit	275-287
16	North York (North Central)	Steeles Ave.	Yonge St.	Highway 401	Dufferin St. & Sunnyview Rd.	288, 297-299, 308-310, 317-320
17	North York (Northwest)	Steeles Ave.	Dufferin St. & Sunnyview Rd.	Highway 401	Humber River	289-296, 311-316
18	Mississauga (South)	Dundas St.	Etobicoke Creek	Lake Ontario	City Limit	500-515, 540
19	Mississauga (Northwest)	Highway 401	Credit River	Dundas St.	City Limit	516, 550
20	Mississauga (Northeast)	Steeles Ave.	City Limit	Dundas St.	Credit River	517-532
21	Brampton (West)	#10 Side Road	Heart Lake Rd.	Steeles Ave.	Second Line	570-576
22	Brampton (East)	Highway 7	Torbram Rd.	Steeles Ave.	Heart Lake Rd.	560-564, 576.03
23	Oakville Town					600-615
24	Caledon					585-587
25	Richmond Hill					420-424
	Vaughan					410-413
	King					460-461

Toronto CMA Zone Boundaries Continued

Zone	Location	North	East	South	West	Census Tract
26	Aurora					440-442
	Newmarket					450-452
	Whitchurch-Stouffville					430-431
	East Gwillimbury					455-456
	Georgina Township					470-475
	Georgina Island					476
27	Markham Town					400-403
28	Pickering*					800-801, 803-804, 807, 805*, 806*, 820*
	Ajax*					810-812, 805*, 806*, 820*
	Uxbridge					830-832
29	Milton					620-626
	Halton Hills					630-639
30	Orangeville					590-592
31	Bradford-West Gwillimbury					480-482
	New Tecumseth					484-483

Private Row Vacancy Rates and Average Rents by Zone and Bedroom Type

October 2003 - Toronto CMA

Zone and Area	All Units		2-Bedroom		3-Bedroom +	
	Average Rent	Vacancy Rate	Average Rent	Vacancy Rate	Average Rent	Vacancy Rate
1-4 Toronto City	**	**	**	**	**	**
6 Etobicoke (Central)	\$1,255	2.3	\$1,119	3.2	\$1,329	1.8
7 Etobicoke (North)	\$1,082	6.9	\$947	4.6	\$1,160	8.2
5-7 Etobicoke City	\$1,154	4.9	\$1,018	3.9	\$1,232	5.5
8 York City	**	**	**	**	**	**
9 East York (Borough)	\$1,206	3.1	**	**	\$1,275	1.4
11 Scarborough (North)	\$1,248	2.1	**	**	\$1,271	1.7
10-12 Scarborough City	**	**	**	**	**	**
14 North York (Northeast)	**	**	\$1,048	2.8	**	**
17 North York (Northwest)	\$1,135	4.5	\$958	7.0	\$1,150	4.3
13-17 North York City	\$1,289	4.7	\$1,134	3.3	\$1,316	5.0
1-17 Metropolitan Toronto	\$1,250	5.1	\$1,070	3.8	\$1,301	5.5
18 Mississauga (South)	**	**	**	**	**	**
20 Mississauga (Northeast)	\$1,236	2.8	**	**	\$1,300	2.9
18-20 Mississauga City	\$1,246	3.0	**	**	\$1,308	3.1
21-22 Brampton City	**	**	**	**	**	**
23 Oakville Town	\$1,179	2.5	**	**	\$1,232	2.2
26 Aurora, Newm., Whit-St.	**	**	\$833	0.0	**	**
25-27 York Region	**	**	\$833	0.0	\$1,045	3.4
28 Pickering, Ajax, Uxbridge	\$939	1.9	N/U	N/U	\$939	1.9
18-31 Remaining Toronto CMA	\$1,186	3.0	\$1,016	3.5	\$1,230	3.0
1-31 Toronto CMA	\$1,226	4.3	\$1,053	3.7	\$1,273	4.5

**Private Apartment Vacancy Rates by Zone and Bedroom Type
October 2003 - Toronto CMA**

Zone and Area		All Units		Bachelor		1-Bedroom		2-Bedroom		3-Bedroom +	
		2002	2003	2002	2003	2002	2003	2002	2003	2002	2003
1	Toronto (Central)	2.1	3.3	1.7	3.8	2.1	3.0	2.2	3.6	4.2	**
2	Toronto (East)	1.8	3.7	3.3	4.1	1.4	4.2	1.7	2.6	**	**
3	Toronto (North)	2.6	3.6	2.6	4.3	2.5	3.1	3.0	4.0	1.1	4.8
4	Toronto (West)	2.2	3.7	3.9	4.8	2.0	3.9	1.3	2.7	1.4	0.0
1-4	Toronto (Old City)	2.3	3.5	2.6	4.3	2.2	3.3	2.2	3.5	2.1	2.7
5	Etobicoke (South)	2.7	3.4	3.1	2.6	2.6	4.1	2.5	3.1	**	0.6
6	Etobicoke (Central)	2.8	3.6	0.6	1.2	2.8	4.5	2.9	3.1	2.4	4.0
7	Etobicoke (North)	1.8	3.2	**	0.0	1.7	3.7	1.9	3.5	1.6	1.9
5-7	Etobicoke	2.6	3.5	2.8	2.2	2.6	4.2	2.6	3.2	2.3	3.1
8	York	2.2	3.6	3.1	3.1	2.6	4.5	1.7	2.9	0.7	**
9	East York	3.4	5.3	3.8	8.2	3.9	5.9	2.4	4.6	4.1	2.6
10	Scarborough (Central)	2.0	3.8	6.4	4.6	2.5	4.7	1.4	3.0	1.3	3.2
11	Scarborough (North)	1.8	4.7	1.2	**	1.8	3.8	1.9	5.4	1.7	4.5
12	Scarborough (East)	2.8	3.9	0.7	5.9	2.7	3.2	3.1	4.2	1.7	4.1
10-12	Scarborough	2.2	4.0	4.3	4.3	2.4	4.2	2.2	4.0	1.5	3.9
13	North York (Southeast)	3.7	6.1	3.3	3.4	4.5	5.3	3.3	6.2	3.1	7.8
14	North York (Northeast)	2.0	2.4	**	**	1.8	1.9	1.9	1.8	2.8	4.9
15	North York (Southwest)	1.6	3.7	4.8	3.0	2.3	3.9	1.0	3.5	0.6	4.3
16	North York (N. Central)	1.8	2.8	2.6	3.6	1.5	3.3	1.7	2.5	2.4	2.2
17	North York (Northwest)	2.7	4.3	1.2	4.2	3.4	4.9	2.2	4.2	2.9	2.7
13-17	North York	2.5	4.1	2.3	3.8	2.9	4.1	2.2	3.9	2.6	4.5
1-17	Toronto	2.4	3.9	2.8	4.2	2.6	4.0	2.2	3.7	2.3	3.7
18	Mississauga (South)	3.7	5.7	4.5	4.6	3.7	5.5	3.7	5.8	3.5	7.1
19	Mississauga (Northwest)	2.3	2.9	**	**	**	2.1	3.2	3.8	**	1.6
20	Mississauga (Northeast)	3.3	3.2	2.9	**	4.3	3.6	2.9	3.2	2.7	2.8
18-20	Mississauga City	3.4	4.3	3.5	3.1	3.7	4.4	3.3	4.4	3.0	4.0
21	Brampton (West)	3.6	4.5	3.2	**	2.7	3.6	4.4	5.4	**	**
22	Brampton (East)	2.3	**	3.7	0.0	2.4	0.4	2.2	**	2.1	**
21-22	Brampton City	3.0	2.8	3.4	2.8	2.6	2.5	3.4	3.1	2.1	1.5
23	Oakville	2.3	2.5	3.6	2.3	2.2	2.8	2.5	2.5	0.7	1.7
24	Caledon	**	**	**	**	**	**	**	**	**	**
25	R.Hill,Vaughan, King	1.1	0.9	**	1.4	1.4	0.6	0.8	1.0	**	**
26	Aurora,Newmk, Whit-St.	1.8	2.0	6.5	**	1.8	1.7	1.2	2.3	**	**
27	Markham	0.9	1.2	0.0	0.0	0.6	1.2	1.0	1.3	1.7	0.0
25-27	York Region	1.3	1.4	2.6	2.1	1.4	1.2	1.0	1.6	2.8	0.6
28	Pickering,Ajax,Uxbridge	1.5	2.3	**	**	2.9	**	1.9	2.9	**	**
29	Milton, Halton Hills	1.5	1.4	**	2.8	1.5	2.3	1.3	1.0	**	**
30	Orangeville	1.6	2.4	**	**	2.0	2.5	0.7	2.9	**	0.0
31	Bradford,W.Gwillimbury	4.0	3.7	9.2	**	3.5	4.1	3.8	3.1	5.5	**
18-31	Remaining CMA	2.9	3.4	3.6	2.7	3.0	3.4	2.9	3.5	2.3	2.9
1-31	Toronto CMA	2.5	3.8	2.8	4.2	2.7	3.9	2.4	3.7	2.3	3.6

**Private Apartment Average Rents by Zone and Bedroom Type
October 2003 - Toronto CMA**

Zone and Area		All Units		Bachelor		1-Bedroom		2-Bedroom		3-Bedroom +	
		2002	2003	2002	2003	2002	2003	2002	2003	2002	2003
1	Toronto (Central)	1,075	1,048	794	797	1,013	989	1,349	1,376	2,057	**
2	Toronto (East)	865	900	653	656	835	859	1,033	1,090	**	**
3	Toronto (North)	1,088	1,066	799	794	993	1,004	1,317	1,279	1,847	1,773
4	Toronto (West)	907	854	674	656	874	836	1,074	1,016	1,480	1,399
1-4	Toronto (Old City)	1,021	995	757	749	955	946	1,244	1,234	1,786	1,641
5	Etobicoke (South)	855	861	641	652	792	789	935	922	**	1,096
6	Etobicoke (Central)	1,055	1,053	719	872	910	896	1,074	1,070	1,294	1,288
7	Etobicoke (North)	954	929	**	599	780	797	945	931	1,117	1,047
5-7	Etobicoke	969	966	653	697	847	839	1,005	997	1,222	1,204
8	York	856	845	618	610	803	794	942	920	1,206	**
9	East York	948	920	683	655	875	836	1,036	1,032	1,350	1,266
10	Scarborough (Central)	891	890	724	739	835	832	935	932	1,047	1,023
11	Scarborough (North)	1,018	1,013	733	**	916	915	1,060	1,048	1,203	1,187
12	Scarborough (East)	929	900	725	713	837	812	943	912	1,068	1,039
10-12	Scarborough	931	918	725	747	851	842	966	949	1,086	1,063
13	North York (Southeast)	990	1,008	693	698	876	880	1,023	1,040	1,233	1,244
14	North York (Northeast)	1,155	1,045	**	**	973	906	1,177	1,074	1,384	1,232
15	North York (Southwest)	912	937	639	646	839	854	952	1,001	1,145	1,165
16	North York (N. Central)	1,003	1,022	637	685	878	893	1,041	1,063	1,198	1,235
17	North York (Northwest)	865	890	635	674	780	800	897	927	1,046	1,078
13-17	North York	980	977	649	701	861	862	1,014	1,017	1,215	1,195
1-17	Toronto	976	961	733	734	894	884	1,055	1,045	1,279	1,225
18	Mississauga (South)	921	929	689	706	850	860	969	981	1,057	1,058
19	Mississauga (Northwest)	1,046	1,085	**	**	**	981	1,090	1,138	**	1,243
20	Mississauga (Northeast)	1,050	1,015	706	**	948	919	1,103	1,060	1,236	1,157
18-20	Mississauga City	993	986	690	685	903	897	1,045	1,037	1,153	1,140
21	Brampton (West)	894	913	616	**	819	858	965	974	**	**
22	Brampton (East)	1,070	**	775	771	973	939	1,102	**	1,191	**
21-22	Brampton City	971	975	674	665	872	886	1,026	1,023	1,118	1,145
23	Oakville	1,001	1,030	703	703	898	917	1,047	1,060	1,251	1,257
24	Caledon	**	**	**	**	**	**	**	**	**	**
25	R.Hill,Vaughan, King	946	890	**	710	862	835	1,008	943	**	**
26	Aurora,Newmk, Whit-St.	830	842	558	**	767	773	885	900	**	**
27	Markham	921	967	607	665	829	886	982	1,025	1,127	1,129
25-27	York Region	895	891	658	659	817	825	953	948	1,128	1,074
28	Pickering,Ajax,Uxbridge	966	1,072	**	**	741	**	922	1,078	**	**
29	Milton, Halton Hills	848	898	**	558	790	780	892	962	**	**
30	Orangeville	776	793	**	**	704	717	843	863	**	968
31	Bradford,W.Gwillimbury	813	816	622	**	734	754	857	853	992	**
18-31	Remaining CMA	969	974	675	672	876	879	1,019	1,023	1,139	1,147
1-31	Toronto CMA	975	964	729	731	891	884	1,047	1,040	1,253	1,211

**Number of Private Apartment Units - Vacant and Total (Universe) by Zone and Bedroom Type
October 2003 - Toronto CMA**

Zone and Area		All Units		Bachelor		1-Bedroom		2-Bedroom		3-Bedroom+	
		Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total
1	Toronto (Central)	960	28,995	254	6,615	451	15,179	237	6,586	**	**
2	Toronto (East)	227	6,147	39	971	147	3,512	40	1,538	**	**
3	Toronto (North)	1,075	29,630	250	5,889	423	13,806	353	8,923	49	1,012
4	Toronto (West)	807	21,879	268	5,540	397	10,292	142	5,283	0	763
1-4	Toronto (Old City)	3,069	86,652	812	19,016	1418	42,789	772	22,331	67	2,515
5	Etobicoke (South)	360	10,463	18	694	186	4,498	154	4,902	2	369
6	Etobicoke (Central)	541	14,914	2	177	196	4,404	241	7,783	102	2,550
7	Etobicoke (North)	150	4,751	0	33	33	888	99	2,848	19	982
5-7	Etobicoke	1,051	30,127	20	903	414	9,790	494	15,534	123	3,901
8	York	582	16,160	34	1,089	342	7,613	201	6,866	**	**
9	East York	992	18,618	68	830	569	9,648	327	7,059	29	1,081
10	Scarborough (Central)	563	14,666	18	390	307	6,465	200	6,635	38	1,177
11	Scarborough (North)	321	6,834	**	**	90	2,366	197	3,627	33	735
12	Scarborough (East)	455	11,649	9	150	106	3,293	265	6,385	74	1,820
10-12	Scarborough	1,339	33,149	28	645	503	12,124	662	16,647	145	3,733
13	North York (Southeast)	1,027	16,898	9	259	293	5,537	558	8,968	166	2,134
14	North York (Northeast)	285	11,745	**	**	69	3,638	103	5,774	104	2,126
15	North York (Southwest)	362	9,690	8	277	162	4,106	155	4,449	37	858
16	North York (N. Central)	325	11,753	8	236	135	4,063	141	5,613	41	1,841
17	North York (Northwest)	708	16,575	26	624	289	5,931	337	7,996	55	2,024
13-17	North York	2,708	66,660	62	1,603	948	23,275	1295	32,800	404	8,982
1-17	Toronto	9,741	251,366	1,023	24,086	4,195	105,239	3,751	101,237	771	20,804
18	Mississauga (South)	711	12,371	12	261	291	5,270	353	6,066	55	775
19	Mississauga (Northwest)	107	3,682	**	**	29	1,357	70	1,827	7	447
20	Mississauga (Northeast)	386	11,900	**	**	145	4,041	205	6,511	31	1,117
18-20	Mississauga City	1,204	27,953	17	543	465	10,668	628	14,403	94	2,339
21	Brampton (West)	223	5,010	**	**	74	2,042	136	2,522	**	**
22	Brampton (East)	**	**	0	91	5	1,130	**	**	**	**
21-22	Brampton City	250	9,087	7	266	79	3,172	151	4,783	13	866
23	Oakville	109	4,360	3	133	37	1,314	62	2,522	7	390
24	Caledon	**	**	**	**	**	**	**	**	**	**
25	R.Hill,Vaughan, King	16	1,719	1	80	5	734	9	842	**	**
26	Aurora,Newmk, Whit-S	36	1,831	**	**	13	764	21	935	**	**
27	Markham	14	1,216	0	12	6	506	8	636	0	62
25-27	York Region	65	4,766	3	150	23	2,004	38	2,412	1	199
28	Pickering,Ajax,Uxbridge	44	1,898	**	**	**	**	29	1001	**	**
29	Milton, Halton Hills	21	1,465	1	41	12	501	8	835	**	**
30	Orangeville	18	775	**	**	9	337	10	340	0	51
31	Bradford,W.Gwillimbur	27	746	**	**	12	296	11	372	**	**
18-31	Remaining CMA	1,743	51,106	33	1,210	636	18,520	941	26,702	133	4,675
1-31	Toronto CMA	11,484	302,472	1,056	25,296	4,832	123,759	4,692	127,938	905	25,479

**Assisted Housing Vacancy Rates /All Rows and Apartments by Zone and Bedroom Type
October 2003 - Toronto CMA**

Zone and Area		All Units		Bachelor		1-Bedroom		2-Bedroom		3-Bedroom +	
		2002	2003	2002	2003	2002	2003	2002	2003	2002	2003
1	Toronto (Central)	0.0	0.1	0.0	0.1	0.0	0.1	0.0	0.2	0.0	0.0
2	Toronto (East)	0.1	0.3	0.1	0.4	0.1	0.3	0.0	0.5	0.0	0.0
3	Toronto (North)	0.0	0.2	0.1	0.0	0.0	0.0	0.0	1.3	0.0	7.8
4	Toronto (West)	0.1	0.2	0.1	0.0	0.0	0.1	0.2	0.4	0.0	0.2
1-4	Toronto (Old City)	0.0	0.2	0.1	0.1	0.0	0.2	0.1	0.3	0.0	0.1
5	Etobicoke (South)	0.0	0.6	0.0	0.0	0.0	0.7	0.0	0.9	0.0	0.7
6	Etobicoke (Central)	0.5	0.6	0.0	0.0	0.5	0.4	0.6	1.1	0.6	0.1
7	Etobicoke (North)	0.5	0.8	0.0	0.0	0.0	1.2	1.4	1.0	0.3	0.7
5-7	Etobicoke	0.4	0.7	0.0	0.0	0.3	0.7	0.9	1.0	0.4	0.6
8	York	0.0	0.6	0.0	0.0	0.0	0.4	0.0	1.3	0.3	0.7
9	East York	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
10	Scarborough (Central)	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.2	0.0	0.0
11	Scarborough (North)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0
12	Scarborough (East)	0.2	0.5	0.0	0.0	0.0	0.4	0.3	0.9	0.3	0.5
10-12	Scarborough	0.1	0.3	0.0	0.0	0.0	0.2	0.2	0.5	0.1	0.2
13	North York (Southeast)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14	North York (Northeast)	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.6	0.0	0.0
15	North York (Southwest)	0.0	0.9	0.0	2.7	0.1	0.2	0.0	0.8	0.0	1.1
16	North York (N. Central)	0.1	0.8	0.0	0.0	0.1	1.5	0.0	0.8	0.0	0.0
17	North York (Northwest)	1.0	1.2	0.8	1.8	0.8	1.0	1.6	1.4	0.9	0.8
13-17	North York	0.3	0.4	0.3	0.4	0.2	0.3	0.5	0.5	0.5	0.4
1-17	Toronto	0.2	0.4	0.1	0.3	0.1	0.3	0.3	0.6	0.2	0.4
18	Mississauga (South)	0.1	1.1	*	*	0.1	1.8	0.0	0.5	0.0	0.3
19	Mississauga (Northwest)	0.1	1.0	*	*	0.0	1.0	0.1	1.0	0.2	1.1
20	Mississauga (Northeast)	0.2	0.7	0.0	5.3	0.1	0.7	0.3	0.4	0.1	0.8
18-20	Mississauga City	0.1	0.8	0.0	4.6	0.1	1.0	0.2	0.5	0.2	0.8
21	Brampton (West)	0.2	0.8	0.0	0.0	0.1	0.1	0.0	0.2	0.6	2.3
22	Brampton (East)	0.0	1.5	NU	NU	0.0	1.7	0.0	1.9	0.0	0.7
21-22	Brampton City	0.2	1.0	0.0	0.0	0.1	0.5	0.0	0.7	0.4	1.9
23	Oakville	0.1	0.5	*	*	0.2	0.0	0.0	0.7	0.0	0.9
24	Caledon	0.0	0.0	NU	NU	0.0	0.0	0.0	0.0	*	*
25	R.Hill,Vaughan, King	0.0	0.2	*	*	0.0	0.0	0.0	0.1	0.0	0.6
26	Aurora,Newmk, Whit-St.	0.2	0.8	*	*	0.0	0.0	0.0	0.2	0.7	3.1
27	Markham	0.1	0.3	NU	NU	0.2	0.0	0.0	0.0	0.0	1.1
25-27	York Region	0.1	0.5	0.0	0.0	0.1	0.0	0.0	0.1	0.3	1.5
28	Pickering,Ajax,Uxbridge	0.3	0.9	NU	NU	0.3	0.6	0.8	1.0	0.0	1.1
29	Milton, Halton Hills	0.0	0.4	NU	NU	0.0	0.4	0.0	0.0	0.0	0.4
30	Orangeville	0.0	1.3	*	*	0.0	0.0	0.0	4.2	0.0	0.0
31	Bradford,W.Gwillimbury	0.5	0.9	NU	NU	0.0	0.0	0.0	3.2	*	*
18-31	Remaining CMA	0.1	0.7	0.0	1.5	0.1	0.5	0.1	0.6	0.2	1.1
1-31	Toronto CMA	0.1	0.5	0.1	0.3	0.1	0.3	0.2	0.6	0.2	0.6

**Vacancy Rates and Average Rents By Height & By Bedroom Type/Private Apartments-3+Units
Toronto CMA, 2002-2003**

Vac Rate	All Units		Bachelor		One Bedroom		Two Bedroom		Three Bedroom +	
	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003
No Storey	1.5	4.9	**	**	3.2	**	0.8	**	**	**
1 - 4 Storeys	2.3	4.3	4.1	5.9	2.2	4.3	2.0	3.8	1.5	3.9
5 - 9 Storeys	2.1	3.9	2.0	4.7	2.6	4.1	1.8	3.5	1.7	3.8
10+ Storeys	2.7	3.6	2.2	3.0	2.9	3.7	2.7	3.6	2.7	3.4
Total	2.5	3.8	2.8	4.2	2.7	3.9	2.4	3.7	2.3	3.6
Avg Rent	All Units		Bachelor		One Bedroom		Two Bedroom		Three Bedroom +	
	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003
No Storey	818	1009	**	**	758	**	930	**	**	**
1 - 4 Storeys	881	878	652	636	805	810	978	970	1,225	1,169
5 - 9 Storeys	916	924	717	725	852	862	977	981	1,099	1,092
10+ Storeys	1,035	1,014	790	783	943	928	1,100	1,088	1,301	1,257
Total	975	964	729	731	891	884	1,047	1,040	1,253	1,211

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Mortgage Rate Forecast 2004

As the US economy improves and interest rates south of the border begin to rise by next year to contain inflation, Canadian interest rates will rise as well. However, the rise will only be gradual until US job growth rises meaningfully.

Mortgage rates will continue to remain low by historical standards. Short term Canadian interest rates are expected to stay low this year prior to rising 25-75 basis points next year. Similarly, long term yields are forecast to continue their upward trend later this year and rise by 25-50 basis points through next year. According to our base case scenario, one three and the five year posted closed mortgage rates are forecast to be in the 4.25-5.25, 5.25-6.25 and 6.00-7.00 percent range respectively.

Emerging geopolitical risks, sluggish business and labour investment and a further appreciation in the Cdn dollar could further postpone rate increases. Alternatively, faster economic growth could usher in higher interest rates earlier.

