

R

ENTAL MARKET

REPORT

Toronto CMA

Canada Mortgage and Housing Corporation

TORONTO HIGHLIGHTS: Toronto vacancy rate at an all time high

October 2004 Survey

Toronto's rental market continued to ease. CMHC's 2004 *Rental Market Survey* indicated Toronto's vacancy rate rose to a new high of 4.3 per cent. Toronto's vacancy rate was sparked by weaker rental demand and competition from alternative forms of rental. On the demand side, low mortgage rates helped sustain the cost gap between owning and renting encouraging first time buying. On the supply side, larger rent reductions for condominium rental accommodation, compared to conventional rental, ensured better value in the condominium rental market in recent years and kept vacancies

tighter in this segment. Unlike the last several years, the rise in rental apartment vacancies was more subdued this year. Stronger job growth combined with improved immigration levels added to net rental demand. Similarly, apartment ownership completions, geared to end users, eased in 2004. Since pre-sold condos take three years to complete after purchase, a high but slower pace of completions meant fewer renters were vacating their rental suites to take occupancy of their new condominium apartments.

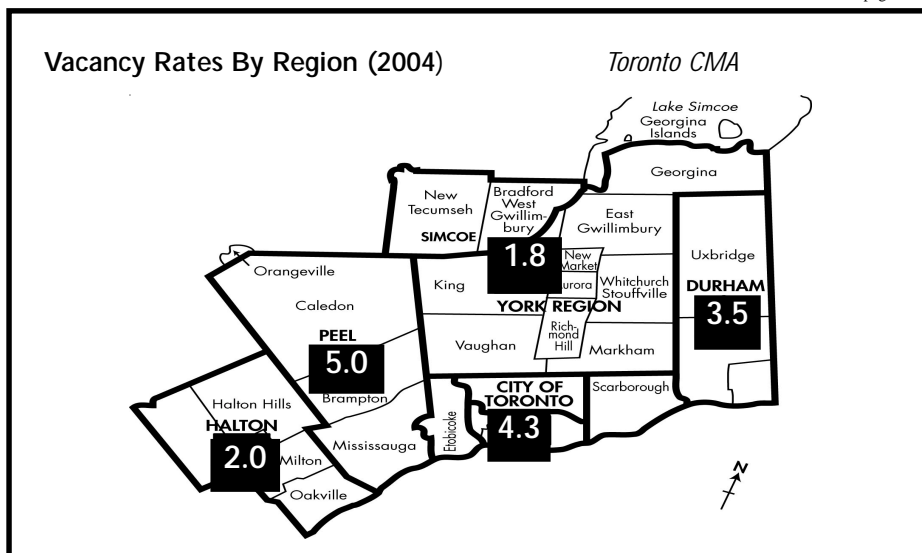
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Higher vacancies have limited a landlord's ability to move rents higher. This is in stark contrast to the stronger rent increases witnessed immediately following the introduction in 1998 of the *Tenant Protection Act (TPA)* legislation. During the early stages of the TPA, stronger demand enabled landlords to move rents closer to market upon units being vacated. With more units staying vacant longer during the past several years, declining demand has resulted in a downward adjustment in market rents and therefore asking rents. Unoccupied units have been impacted most as landlords have resorted to filling vacant units through the use of numerous incentives.

CANADIAN HIGHLIGHTS: Vacancy rates on the rise in other Canadian Centres

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 pur-

chased 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.

Despite the higher vacancy rates, 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, 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 are 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.

A new measure called the availability rate has been introduced on a pilot

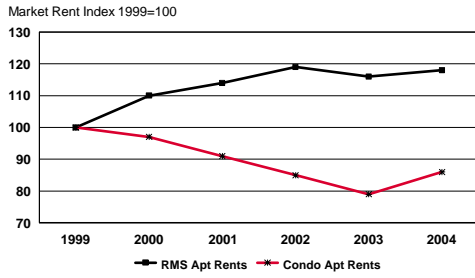
Apartment Vacancy Rates : Major Metro Areas (All units)		
	2003	2004
Atlantic Region		
St. John's	2.0	3.1
Halifax	2.3	2.9
Saint John	5.2	5.8
Quebec Region		
Gatineau	1.2	2.1
Montreal	1.0	1.5
Quebec	0.5	1.1
Sherbrooke	0.7	0.9
Saguenay	5.2	5.3
Trois-Rivieres	1.5	1.2
Ontario Region		
Hamilton	3.0	3.4
Kingston	1.9	2.4
Kitchener	3.2	3.5
London	2.1	3.7
Oshawa	2.9	3.4
Ottawa	2.9	3.9
St. Catharines-Niagara	2.7	2.6
Greater Sudbury	3.6	2.6
Thunder Bay	3.3	5.0
Toronto	3.8	4.3
Windsor	4.3	8.8
Prairie Region		
Calgary	4.4	4.3
Edmonton	3.4	5.3
Regina	2.1	2.7
Saskatoon	4.5	6.3
Winnipeg	1.3	1.1
British Columbia Region		
Abbotsford	2.5	2.8
Vancouver	2.0	1.3
Victoria	1.1	0.6
Total	2.2	2.7

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.

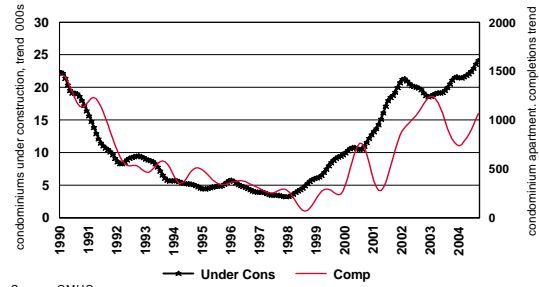
TORONTO 2004 RMS SUMMARY

Vacancy Rates	2003		2004		
	2003	2004	Average Rents 2003	2004	
Bachelor	4.2%	4.1%	Bachelor	\$731	\$727
1-Bedroom	3.9%	4.3%	1-Bedroom	\$884	\$886
2-Bedroom	3.7%	4.5%	2-Bedroom	\$1040	\$1052
3-Bedroom+	3.6%	4.1%	3-Bedroom	\$1211	\$1235
Total	3.8%	4.3%	Total	\$964	\$973

CONDO RENTS MORE ATTRACTIVE



LESS CONDO COMPLETIONS, LESS RENTERS MOVING INTO NEW HOMES



Demand and Supply Factors Impacting Vacancies in 2004

CMHC's 2004 rental market survey results indicated a rise in Toronto's vacancy rate to 4.3% from 3.8% in 2003. While vacancies continued to trend higher, increases were more subdued in this year's survey.

What demand and supply factors contributed to the rise in the Toronto vacancy rate to its highest level ever? Firstly, the shift of tenure from renting to owning, while slowing, continued to remain strong triggering additional vacancies. A stronger job market helped fuel household incomes and helped mitigate the rise in carrying costs making homeownership viable for first time buyers. The proof is in Toronto's affordability ratio which measures the share of income allocated to principal, interest payments and taxes. Since 2001, housing costs as a share of income have remained stable despite noticeable housing price increases. Traditionally, first time buyers start their home search in the resale market. Existing home sales are poised for another record year in 2004.

Secondly, more investor held condominiums have come on stream, competing directly with purpose built rental accommodation in 2004. Rent discounts have been more common in the condo rental market compared to the conventional apartment market, according to Toronto Real Estate Board data. The result has meant better value in the secondary rental market and has helped cannibalize some potential lease up activity in the conventional rental stock. Indeed, condo rental vacancy rates have edged lower this year despite a continued uptick in conventional apartment vacancy rates.

Alternatively, some factors have added to net rental demand. Most notable examples include stronger immigration flows and fewer apartment completions geared to end users. On the immigration front, the impact of SARS and other geopolitical concerns have eased resulting in a pick-up of immigration flows since last fall. Key to rental demand historically has been the immigration factor which offered more support in 2004.

Secondly, new condo apartment completions targeted to end users are off their peaks from last year. First time buyers find condominium housing more appealing due to its degree of affordability. A record number were in the new condo market purchasing their new home several years ago. Fewer completions in 2004 has meant less supply pressures. This resulted in fewer tenants vacating their rental suites to take advantage of occupancy.

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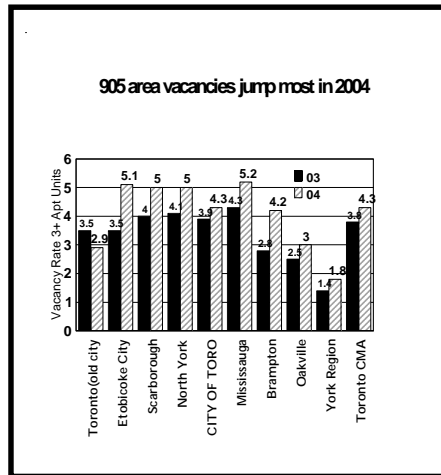
Taken together, these factors added to net rental demand causing vacancy rates to rise at a slower pace this year.

Demand subsides for most bedroom types

Most bedroom types experienced increases in vacancies in 2004. One bedroom and two bedroom units were notable examples. Alternatively, after jumping in previous years, bachelor unit vacancies eased this year. The explanation is found in rent increases which have been more aggressive for larger suites relative to smaller bachelor suites over the past twelve months.

905 vacancies rise most

Activity across major submarkets reveals that while the level of vacancies were highest in "416" areas, rates jumped most in "905" areas. Brampton and Mississauga were notable examples. Here the movement to home ownership has remained strong. This is evident when observing stronger MLS sales activity feeding through to home prices in "905" vs a softer pace of home sales and price growth in the more expensive city zones. Toronto City (zones 1-4) bucked the upward trend in vacancies posting declines this year. A slower pace of condo apartment completions catered to end users, particularly in the city core, also helped keep a lid on vacancies. Alternatively, suburban communities within the new amalgamated city such as Scarborough, Etobicoke and North York continued to post increases in vacancies.



Availability rate high where vacancies jump most

CMHC in this year's survey introduced the availability rate. A unit is considered available if the existing tenant has given or has received an official notice to move and a new tenant has not signed a lease; OR the unit is vacant. Availability is a much broader definition of rental supply. As of October of 2004, the Toronto CMA availability rate stood at

6.2 per cent. Toronto's availability rate is just shy of two percentage points above the vacancy rate. This difference can be thought of as a proxy for the degree of turnover. Whether availability levels or turnover rates are observed, "905" communities have posted results above average CMA levels. A jump in vacancies has created more choice for tenants particularly in communities like Brampton and Mississauga where rent reductions are the norm. This is in stark contrast to the early days of the TPA when tenants refrained from vacating their suites in search of better value due to fears of facing substantially higher market rents.

A higher availability rate has more negative implications for landlords and/or investors. It implies higher potential revenue losses at a time when marketing expenses and operating costs are climbing.

2004 GTA Condominium Apartment Survey

During the month of June 2004, Canada Mortgage and Housing Corporation (CMHC) conducted its annual survey of residential condominiums in the Greater Toronto Area. Only condominium apartment projects were surveyed. This study serves as a complement to CMHC's annual survey of privately initiated rental accommodation in the Rental Market Survey (RMS).

The main objective of the condominium survey is to identify the extent to which condominiums are being offered for rent, and find the subsequent rental vacancy rate. The data was collected for all regions within the GTA, including Toronto, York Region, Peel Region, Halton Region and Durham.

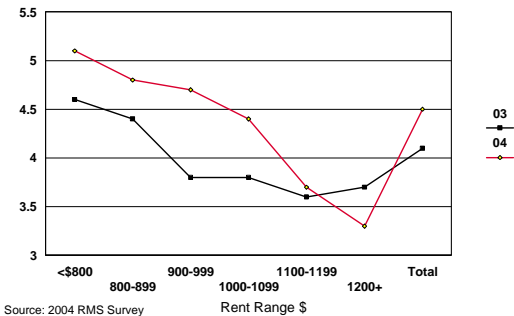
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**Vacancy Rates By Rent Range By Bedroom Type/Private Apartments-3+Units
Toronto CMA, 2003-2004**

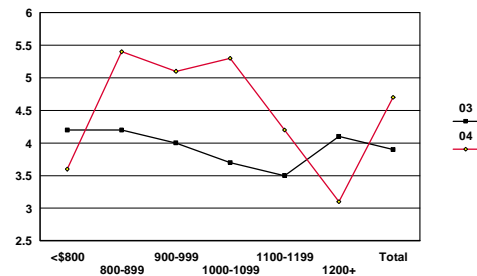
RENT RANGE	Bachelor		RENT RANGE	1 Bedroom		2 Bedroom	
	2003	2004		2003	2004	2003	2004
< \$600	4.4	6.9	< \$800	4.8	5.6	4.2	3.6
\$600-699	5.9	4.7	\$800-899	4.6	4.6	4.2	5.4
\$700-799	3.6	3.8	\$900-999	3.5	4.0	4.0	5.1
\$800-899	3.8	4.2	\$1000-1099	4.0	2.8	3.7	5.3
\$900-999	6.1	3.0	\$1100-1199	3.2	2.1	3.5	4.2
\$1000 and over	**	0.2	\$1200 and over	2.2	2.3	4.1	3.1
Total	4.4	4.4	Total	4.2	4.4	3.9	4.7

RENT RANGE	3 Bedroom		RENT RANGE	All Units	
	2003	2004		2003	2004
< \$900	0.6	2.1	< \$800	4.6	5.1
\$900-999	3.8	6.9	\$800-899	4.4	4.8
\$1000-1099	4.1	4.2	\$900-999	3.8	4.7
\$1100-1199	4.1	4.0	\$1000-1099	3.8	4.4
\$1200-1299	4.0	5.1	\$1100-1199	3.6	3.7
\$1300 and over	3.6	3.7	\$1200 and over	3.7	3.3
Total	3.8	4.4	Total	4.1	4.5

**High end units tighter in 2005
(all units)**



Tenants looking for quality and value (2-bed)



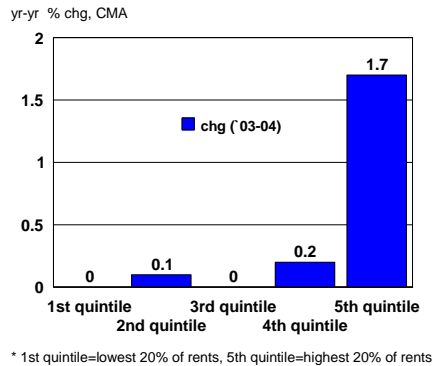
Overall Vacancy Rates Lower at Higher Rent Ranges in 2004

Rental availability jumped across the entire spectrum of rents over the past several years, particularly at the high end. The period between 2000-2003 was characterized as a period when the cost gap between owning and renting was small enough to keep vacancies high at the high end. However in 2004, overall vacancy rates are falling at higher rent ranges. More meaningful reductions in rent

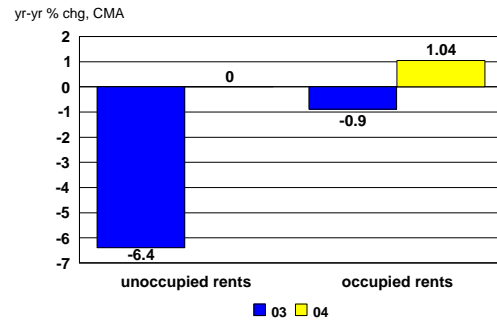
at the high end last year helped translate into tighter conditions in 2004. In addition, housing affordability has likely reached a peak. Taken together, the shift of tenure while remaining strong, likely slowed this year with more tenants pursuing opportunities within the rental market. Indeed, vacancy rates steadily tightened at higher rent ranges suggesting tenants were in search of better quality accommodation.

While high end vacancies dropped in the core, on the most part they increased across the new city and other 905 districts. This suggests that competitive pressures from higher end condo rentals are stronger in neighbouring areas surrounding the core. Notable examples include Etobicoke, Scarborough and Mississauga where apartment completions are up this year vs the same time in 2003.

Modest rent growth at upper end



Declines in unoccupied rents (asking rents) subsidies



Toronto Overall Rents Remain Flat in 2004

According to 2004 survey results, overall rents inched higher by 0.9 per cent this year on the tail of a 1.1 per cent decline registered in last year's survey. Rent increases have been flat over the past two years unable to match the general rate of inflation. An analysis of rent increases by bedroom type shows increases were stronger for two and three bedroom units running just shy of inflation. Alternatively, bachelor and one bedroom rent increases were negligible.

What factors are contributing to a flat rent profile in 2004? Firstly, asking rents on vacated units (unoccupied) have remained stable in this year's survey. This time last year, rent reductions were the norm as landlords were challenged to fill vacant units. Apartment units were most likely vacated in response to improved homeownership affordability in recent years. While low mortgage rates continue to encourage the shift to homeownership, this shift is slowing. Similarly, high end vacancy rates or vacancies for units competing with homeownership have

dropped since 2003. This suggests that the duration of vacancy or lease up time has shortened. Consequently, the average landlord was less likely to cut rents aggressively. Indeed, asking rents on unoccupied units remained flat this year, compared to a six per cent decline in last year's survey. Instead, other non price incentives such as free parking, appliance give-aways and selected renovations/upgrades to suites were offered preventing rents from falling further.

A second factor keeping rents stable was the goal of preserving existing tenancies. Few if any landlords attempted to pass even the minimum rent review guideline increases onto existing tenants in 2004. However, modest increases were witnessed, with rents on occupied units rising by over one per cent.

Rents rise at high end

While competitive pressure from investor held condos remained strong, the all important apartment completions segment geared to end users softened, putting a lid on vacancies at the high end. This helped rents post increases at the high end. Alternatively, tenants at the low end were not likely candidates for homeownership given the larger cost gap between owning vs renting. Instead, movement within the rental stock was the norm, resulting in greater turnover and less price pressure.

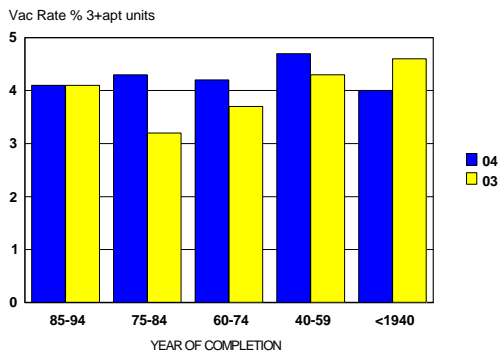
Rents in 416 hold up

With condo apartment completions pausing and vacancies dropping in core districts, rent increases were more common in 416 communities. Alternatively, rising vacancy rates in core 905 districts resulted in rent reductions.

**Vacancy Rates and Average Rents By Age of Structure and Bedroom Type/Private Apartments-3+Units
Toronto CMA, 2003-2004**

Vac Rate	All Units		Bachelor		One Bedroom		Two Bedroom		Three Bedroom +	
	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004
No Data Available	**	N/A	**	N/A	**	N/A	**	N/A	**	N/A
Pre 1940	4.6	4.0	7.4	5.7	3.6	3.6	4.4	3.6	1.4	3.6
1940-1959	4.3	4.7	3.7	5.7	4.9	5.3	3.8	3.9	4.3	2.9
1960-1974	3.7	4.2	3.5	3.1	3.8	4.2	3.6	4.5	3.8	4.0
1975-1984	3.2	4.3	4.0	1.6	2.9	3.1	3.3	5.2	2.9	5.5
1985-1994	4.1	4.1	**	**	5.4	2.7	4.3	5.0	0.7	**
1995 and After	**	8.0	**	**	**	**	**	7.1	**	**
Total	3.8	4.3	4.2	4.1	3.9	4.3	3.7	4.5	3.6	4.1
Avg Rent										
No Data Available	**	N/A	**	N/A	**	N/A	**	N/A	**	N/A
Pre 1940	916	913	650	660	868	860	1,102	1,112	1,507	1,440
1940-1959	870	881	690	689	820	821	953	974	1,128	1,331
1960-1974	970	978	748	752	890	892	1,029	1,037	1,210	1,221
1975-1984	1,050	1,063	785	796	964	976	1,126	1,114	1,220	1,223
1985-1994	1,038	1,068	**	**	958	964	1,094	1,124	1,109	**
1995 and After	**	1,461	**	**	**	**	**	1,583	**	**
Total	964	973	731	727	884	886	1,040	1,052	1,211	1,235

Vacancy rates rise across most structure ages



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**Vacancy Rates and Average Rents By Size & By Bedroom Type/Private Apartments-3+Units
Toronto CMA, 2003-2004**

Vac Rate	All Units		Bachelor		One Bedroom		Two Bedroom		Three Bedroom+	
	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004
3 - 5 Units	3.5	3.8	5.2	4.0	2.6	2.6	3.9	4.9	2.4	1.6
6 - 19 Units	4.8	5.3	5.3	4.6	5.2	6.2	4.3	4.7	5.1	4.0
20 - 49 Units	4.3	4.4	7.1	5.7	4.1	4.4	3.7	3.8	2.1	2.6
50 - 99 Units	3.7	4.3	3.6	4.6	4.1	4.6	3.5	4.1	2.7	3.5
100+ Units	3.6	4.3	3.2	3.2	3.7	4.0	3.6	4.7	3.8	4.5
Total	3.8	4.3	4.2	4.1	3.9	4.3	3.7	4.5	3.6	4.1
Avg Rent										
3 - 5 Units	948	970	588	643	856	850	997	1,064	1,164	1,180
6 - 19 Units	853	886	584	636	767	800	943	979	1,215	1,210
20 - 49 Units	875	868	668	655	834	822	983	996	1,276	1,240
50 - 99 Units	917	923	720	717	859	856	981	989	1,106	1,176
100+ Units	1,008	1,019	778	786	919	924	1,081	1,086	1,234	1,252
Total	964	973	731	727	884	886	1,040	1,052	1,211	1,235

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Toronto Rental Market Outlook 2005

An upward trending vacancy rate suggests pricing power will be limited in Toronto's rental apartment market during 2005. Tenants will continue to be in the driver's seat, limiting a landlord's ability to push rents higher. Market rents will be constrained as demand will be hardpressed to match the growing supply of available units. This strongly points to rent increases remaining flat or negative on an after inflation basis.

What factors will limit potential rent increases next year? Firstly, timelier information from industry contacts as of November shows a jump in vacancies. Potential rate hike notices are usually reviewed during this time of year. Landlords will attempt to minimize vacancy losses. This means the risk of triggering additional vacancies by introducing rent increases for sitting tenants will be avoided at all costs. Look for landlords to hold the line on rents for sitting tenants through 2005.

Secondly, uncertainty regarding rent legislation will mean landlords increasingly will rely on non price incentives to fill vacant units. In the past this has taken the form of free parking, travel or appliance give aways and extensive renovations on existing suites.

Expect more of the same as landlords attempt to avoid rent reductions in a new legislative environment which proposes a freeze on rent increases.

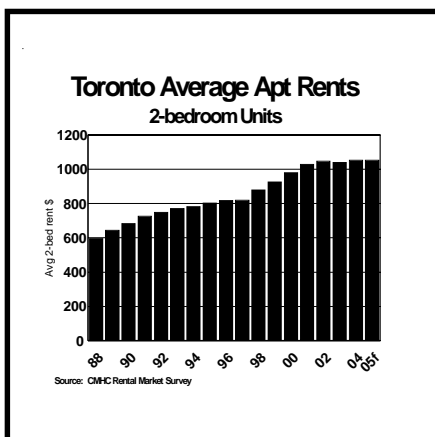
Negligible rent increases available at the low end of the market is a third factor which will limit rent increases next year. It has long been argued that in periods of high demand and rising market rents similar to the period immediately following the TPA (1998-2001), more affordable units are ones that turn over less. With overall vacancy rates jumping most at the low end last year and this year, low end unit rents have adjusted closer to market.

This constrained pricing environment will be the result of rising vacancy rates. After a slight pause in the magnitude of increases in vacancies this year, vacancy rates will jump to an all time high next year. New home completions, particularly from the condo apartment front, will rise to the forefront as the biggest challenge to the rental apartment market. A temporary relief in condo apartment completions this year, will be met with a surge next year. As of October of this year, there were just shy of 25,000 condo apartment units under construction in the Toronto

area, representing a 16 year high. It is estimated that 14,000-16,000 apartment completions will come on stream on an annual basis over the next two years. Recent surveys suggest as much as 75 per cent of these completions will be from end user purchases of which 60 per cent were from first time buyers of years past. This translates to 6700 units that first time buyers will take occupancy of during the next 12 months. Some of these past purchasers have already started taking occupancy, as stronger apartment completions over the latest months has coincided with higher vacancies.

Secondly, while improved home ownership affordability was the main trigger of rising apartment vacancies in the recent past, it will take on a lesser role ahead. Affordability while remaining high is set to deteriorate through 2005, suggesting fewer first time buyer participants in the housing market. It is more likely that first time buying will likely come from young adults living at home longer who opted to bypass rental accommodation altogether.

There are also other factors alongside homeownership affordability that will act as less of a drag on the rental apartment market. These factors include a strong job market and steady improvement in immigration. Nevertheless, CMHC believes that competition from the supply side, namely from condos that end users and investors take possession of, should be strong enough to offset these positive demand factors. CMHC predicts that the Toronto vacancy rate will rise to 5 per cent in 2005 while rents remain flat.



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. The available unit data are obtained only for privately initiated apartments. 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.

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 what the owner is asking 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.

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, 18-29, 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					590-593
31	Bradford-West Gwillimbury					480-482
	New Tecumseth					483-485

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

October 2004 - 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	**	**	**	N/U	**	**
6 Etobicoke (Central)	**	**	**	**	**	**
7 Etobicoke (North)	\$1,132	10.3	\$957	8.0	\$1,229	11.6
5-7 Etobicoke City	\$1,212	6.7	**	5.4	\$1,303	7.5
8 York City	**	**	N/A	**	**	**
9 East York (Borough)	\$1,197	2.4	N/U	N/U	**	1.9
11 Scarborough (North)	**	**	**	**	**	**
10-12 Scarborough City	**	**	**	**	**	**
14 North York (Northeast)	**	**	**	**	**	**
17 North York (Northwest)	\$1,178	6.0	\$976	2.3	\$1,196	6.4
13-17 North York City	\$1,284	5.0	**	3.4	\$1,303	5.3
1-17 Metropolitan Toronto	\$1,253	5.3	\$1,079	4.7	\$1,294	5.5
18 Mississauga (South)	**	**	N/A	N/A	**	**
20 Mississauga (Northeast)	\$1,247	3.5	**	2.8	**	3.7
18-20 Mississauga City	\$1,308	3.8	**	**	\$1,334	3.9
21-22 Brampton City	**	5.8	**	4.9	**	6.1
23 Oakville Town	**	**	**	**	**	**
26 Aurora, Newm., Whit-St.	N/A	**	N/A	5.7	N/A	**
25-27 York Region	**	**	N/A	5.7	**	**
28 Pickering, Ajax, Uxbridge	**	4.7	**	**	**	7.4
18-31 Remaining Toronto CMA	\$1,227	4.5	**	**	\$1,272	4.5
1-31 Toronto CMA	\$1,242	5.0	\$1,045	4.7	\$1,285	5.1

**Private Apartment Vacancy Rates by Zone and Bedroom Type
October 2004 - Toronto CMA**

Zone and Area		All Units		Bachelor		1-Bedroom		2-Bedroom		3-Bedroom +	
		2003	2004	2003	2004	2003	2004	2003	2004	2003	2004
1	Toronto (Central)	3.3	2.4	3.8	3.4	3.0	2.1	3.6	2.0	**	3.4
2	Toronto (East)	3.7	4.3	4.1	5.5	4.2	3.6	2.6	4.8	**	**
3	Toronto (North)	3.6	3.0	4.3	3.1	3.1	2.7	4.0	3.0	4.8	4.8
4	Toronto (West)	3.7	3.2	4.8	4.1	3.9	2.9	2.7	3.2	0.0	0.9
1-4	Toronto (Old City)	3.5	2.9	4.3	3.6	3.3	2.7	3.5	2.9	2.7	3.7
5	Etobicoke (South)	3.4	4.2	2.6	6.3	4.1	4.2	3.1	4.0	0.6	**
6	Etobicoke (Central)	3.6	5.2	1.2	5.1	4.5	6.3	3.1	5.2	4.0	3.4
7	Etobicoke (North)	3.2	6.9	0.0	17.0	3.7	2.3	3.5	7.5	1.9	9.2
5-7	Etobicoke	3.5	5.1	2.2	6.4	4.2	5.0	3.2	5.2	3.1	4.9
8	York	3.6	4.1	3.1	5.0	4.5	4.6	2.9	3.4	**	2.1
9	East York	5.3	6.4	8.2	5.7	5.9	7.6	4.6	4.9	2.6	5.1
10	Scarborough (Central)	3.8	5.4	4.6	9.5	4.7	5.5	3.0	5.3	3.2	3.3
11	Scarborough (North)	4.7	4.2	**	3.4	3.8	4.1	5.4	4.7	4.5	2.1
12	Scarborough (East)	3.9	4.9	5.9	1.3	3.2	6.3	4.2	4.5	4.1	4.5
10-12	Scarborough	4.0	5.0	4.3	6.2	4.2	5.4	4.0	4.9	3.9	3.7
13	North York (Southeast)	6.1	6.4	3.4	5.2	5.3	5.7	6.2	6.5	7.8	7.6
14	North York (Northeast)	2.4	4.5	**	2.5	1.9	5.1	1.8	4.1	4.9	4.4
15	North York (Southwest)	3.7	4.9	3.0	4.7	3.9	6.3	3.5	4.1	4.3	2.0
16	North York (N. Central)	2.8	2.9	3.6	4.8	3.3	3.3	2.5	2.9	2.2	2.0
17	North York (Northwest)	4.3	5.5	4.2	6.7	4.9	4.9	4.2	6.0	2.7	5.1
13-17	North York	4.1	5.0	3.8	5.1	4.1	5.1	3.9	5.0	4.5	4.6
1-17	Toronto	3.9	4.3	4.2	4.1	4.0	4.3	3.7	4.4	3.7	4.3
18	Mississauga (South)	5.7	6.2	4.6	3.7	5.5	6.6	5.8	6.3	7.1	5.0
19	Mississauga (Northwest)	2.9	3.0	**	**	2.1	1.7	3.8	3.7	1.6	**
20	Mississauga (Northeast)	3.2	4.9	**	3.7	3.6	4.3	3.2	5.5	2.8	4.3
18-20	Mississauga City	4.3	5.2	3.1	3.4	4.4	5.0	4.4	5.6	4.0	4.5
21	Brampton (West)	4.5	5.8	**	5.5	3.6	4.9	5.4	6.8	**	2.7
22	Brampton (East)	0.7	2.2	0.0	4.1	0.4	1.2	0.6	2.8	**	1.7
21-22	Brampton City	2.8	4.2	2.8	5.1	2.5	3.6	3.1	5.0	1.5	2.0
23	Oakville	2.5	3.0	2.3	**	2.8	3.8	2.5	2.7	1.7	**
24	Caledon	**	**	**	**	**	**	**	**	**	**
25	R.Hill,Vaughan, King	0.9	1.7	1.4	0.0	0.6	1.1	1.0	2.1	**	3.8
26	Aurora,Newmk, Whit-St.	2.0	2.5	**	3.8	1.7	2.1	2.3	2.7	**	4.2
27	Markham	1.2	0.7	0.0	8.3	1.2	0.2	1.3	0.9	0.0	0.0
25-27	York Region	1.4	1.8	2.1	1.9	1.2	1.2	1.6	2.0	0.6	3.1
28	Pickering,Ajax,Uxbridge	2.3	4.0	**	**	**	0.6	2.9	5.8	**	**
29	Milton, Halton Hills	1.4	2.0	2.8	0.0	2.3	2.5	1.0	1.9	**	0.0
30	Orangeville	2.4	1.8	**	**	2.5	1.9	2.9	1.5	0.0	**
31	Bradford,W.Gwillimbury	3.7	5.3	**	3.7	4.1	1.9	3.1	7.3	**	**
18-31	Remaining CMA	3.4	4.3	2.7	3.8	3.4	4.1	3.5	4.8	2.9	3.3
1-31	Toronto CMA	3.8	4.3	4.2	4.1	3.9	4.3	3.7	4.5	3.6	4.1

**Private Apartment Average Rents by Zone and Bedroom Type
October 2004 - Toronto CMA**

Zone and Area		All Units		Bachelor		1-Bedroom		2-Bedroom		3-Bedroom +	
		2003	2004	2003	2004	2003	2004	2003	2004	2003	2004
1	Toronto (Central)	1,048	1,062	797	795	989	1,003	1,376	1,358	**	2,003
2	Toronto (East)	900	892	656	655	859	864	1,090	1,071	**	**
3	Toronto (North)	1,066	1,103	794	784	1,004	993	1,279	1,338	1,773	2,181
4	Toronto (West)	854	890	656	657	836	859	1,016	1,054	**	1,404
1-4	Toronto (Old City)	995	1,018	749	749	946	950	1,234	1,249	1,641	1,902
5	Etobicoke (South)	861	864	652	612	789	781	922	953	**	**
6	Etobicoke (Central)	1,053	1,060	872	701	896	907	1,070	1,077	1,288	1,305
7	Etobicoke (North)	929	922	**	599	797	794	931	945	1,047	985
5-7	Etobicoke	966	969	697	627	839	841	997	1,013	1,204	1,199
8	York	845	875	610	641	794	811	920	975	**	1,266
9	East York	920	940	655	680	836	844	1,032	1,058	**	1,319
10	Scarborough (Central)	890	880	739	751	832	814	932	928	1,023	1,040
11	Scarborough (North)	1,013	1,013	**	783	915	906	1,048	1,053	1,187	1,202
12	Scarborough (East)	900	899	713	715	812	814	912	912	1,039	1,020
10-12	Scarborough	918	913	747	744	842	831	949	948	1,063	1,058
13	North York (Southeast)	1,008	972	698	673	880	848	1,040	1,010	1,244	1,192
14	North York (Northeast)	1,045	1,125	**	886	906	976	1,074	1,177	1,232	1,294
15	North York (Southwest)	937	930	**	666	854	833	1,001	986	1,165	1,212
16	North York (N. Central)	1,022	1,031	685	720	893	909	1,063	1,081	1,235	1,238
17	North York (Northwest)	890	877	674	686	800	796	927	906	1,078	1,063
13-17	North York	977	981	701	718	862	865	1,017	1,024	1,195	1,198
1-17	Toronto	961	973	734	730	884	888	1,045	1,061	1,225	1,258
18	Mississauga (South)	929	926	706	701	860	852	981	983	1,058	1,035
19	Mississauga (Northwest)	1,085	1,062	**	**	981	966	1,138	1,105	**	**
20	Mississauga (Northeast)	1,015	1,007	**	691	919	909	1,060	1,042	1,157	1,198
18-20	Mississauga City	986	980	685	694	897	890	1,037	1,027	1,140	1,147
21	Brampton (West)	913	931	**	642	858	860	974	985	**	1,063
22	Brampton (East)	1,053	1,032	**	786	939	936	1,076	1,051	**	1,156
21-22	Brampton City	975	975	665	688	886	887	1,023	1,016	1,145	1,124
23	Oakville	1,030	1,038	**	**	917	918	1,060	1,083	1,257	**
24	Caledon	**	**	**	**	**	**	**	**	**	**
25	R.Hill,Vaughan, King	890	1,010	**	785	835	899	943	1,069	**	**
26	Aurora,Newmk, Whit-St.	842	848	**	**	773	793	900	900	**	**
27	Markham	967	969	665	627	886	875	1,025	1,028	**	**
25-27	York Region	891	938	659	691	825	851	948	996	1,074	1,185
28	Pickering,Ajax,Uxbridge	**	1,028	**	**	**	754	**	1,015	**	**
29	Milton, Halton Hills	898	881	558	**	780	806	962	931	**	1,043
30	Orangeville	793	805	**	**	717	728	863	879	968	**
31	Bradford,W.Gwillimbury	816	811	**	**	754	**	853	867	**	**
18-31	Remaining CMA	974	973	672	690	879	877	1,023	1,019	1,147	1,144
1-31	Toronto CMA	964	973	731	727	884	886	1,040	1,052	1,211	1,235

**Number of Private Apartment Units - Vacant and Total (Universe) by Zone and Bedroom Type
October 2004 - 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)	693	28,750	224	6,595	316	14,786	130	6,687	23	682
2	Toronto (East)	294	6,799	55	995	137	3,763	90	1,866	**	**
3	Toronto (North)	875	29,626	150	4,789	412	15,069	265	8,765	48	1,004
4	Toronto (West)	695	22,045	156	3,809	347	11,792	187	5,855	6	590
1-4	Toronto (Old City)	2,558	87,221	584	16,188	1,212	45,410	671	23,174	90	2,450
5	Etobicoke (South)	441	10,474	55	872	180	4,242	199	4,981	**	**
6	Etobicoke (Central)	775	14,908	10	205	282	4,467	398	7,721	85	2,515
7	Etobicoke (North)	350	5,056	5	30	23	1,014	216	2,860	106	1,151
5-7	Etobicoke	1,565	30,437	70	1,107	485	9,724	813	15,563	197	4,044
8	York	661	16,200	68	1,363	376	8,142	200	5,909	17	786
9	East York	1,190	18,630	52	921	751	9,923	335	6,781	51	1,005
10	Scarborough (Central)	785	14,647	40	423	358	6,524	353	6,647	34	1,052
11	Scarborough (North)	292	6,875	3	94	97	2,341	177	3,747	15	693
12	Scarborough (East)	596	12,075	3	229	210	3,345	296	6,581	87	1,920
10-12	Scarborough	1,673	33,596	46	746	665	12,210	826	16,975	136	3,665
13	North York (Southeast)	1,071	16,858	12	237	337	5,890	561	8,604	161	2,128
14	North York (Northeast)	524	11,757	6	261	195	3,817	232	5,603	91	2,077
15	North York (Southwest)	474	9,743	15	319	254	4,003	187	4,533	18	887
16	North York (N. Central)	351	12,018	10	207	143	4,357	163	5,671	35	1,783
17	North York (Northwest)	931	16,954	38	567	294	6,052	489	8,157	111	2,178
13-17	North York	3,351	67,330	81	1,591	1,223	24,119	1,631	32,568	415	9,052
1-17	Toronto	10,997	253,414	903	21,916	4,711	109,528	4,477	100,970	906	21,001
18	Mississauga (South)	768	12,331	12	316	329	4,988	379	6,056	48	970
19	Mississauga (Northwest)	113	3,828	**	**	23	1,417	71	1,901	**	**
20	Mississauga (Northeast)	579	11,774	10	280	173	4,058	342	6,171	55	1,265
18-20	Mississauga City	1,461	27,932	22	650	525	10,463	792	14,127	121	2,691
21	Brampton (West)	301	5,212	9	156	100	2,041	183	2,670	9	345
22	Brampton (East)	92	4,119	3	73	14	1,126	64	2,255	11	665
21-22	Brampton City	393	9,331	12	229	114	3,167	247	4,925	20	1,010
23	Oakville	130	4,350	**	**	51	1,352	66	2,494	**	**
24	Caledon	**	**	**	**	**	**	**	**	**	**
25	R.Hill, Vaughan, King	30	1,748	0	97	7	634	19	904	4	114
26	Aurora, Newmk, Whit-St.	46	1,822	2	61	15	739	25	927	4	96
27	Markham	8	1,216	1	12	1	507	6	635	0	62
25-27	York Region	84	4,786	3	169	23	1,879	49	2,466	8	271
28	Pickering, Ajax, Uxbridge	76	1,888	**	**	1	179	63	1,084	**	**
29	Milton, Halton Hills	29	1,455	0	32	14	554	15	797	0	72
30	Orangeville	14	776	**	**	6	336	5	345	**	**
31	Bradford, W. Gwillimbury	39	740	1	27	6	297	26	358	**	**
18-31	Remaining CMA	2,229	51,315	50	1,313	742	18,243	1,266	26,630	171	5,128
1-31	Toronto CMA	13,226	304,729	953	23,229	5,454	127,771	5,742	127,600	1,077	26,129

**Apartment Availability and Vacancy Rates by Zone and Bedroom Type
October 2004 - Toronto CMA**

Zone and Area		All Units		Bachelor		1-Bedroom		2-Bedroom		3-Bedroom +	
		AVAIL	VAC	AVAIL	VAC	AVAIL	VAC	AVAIL	VAC	AVAIL	VAC
1	Toronto (Central)	4.3	2.4	5.3	3.4	4.1	2.1	3.5	2.0	5.3	3.4
2	Toronto (East)	6.3	4.3	8.0	5.5	5.7	3.6	6.4	4.8	**	**
3	Toronto (North)	4.6	3.0	5.1	3.1	4.5	2.7	4.5	3.0	6.4	4.8
4	Toronto (West)	5.0	3.2	5.5	4.1	5.1	2.9	4.8	3.2	0.9	0.9
1-4	Toronto (Old City)	4.7	2.9	5.4	3.6	4.6	2.7	4.4	2.9	5.0	3.7
5	Etobicoke (South)	5.4	4.2	7.2	6.3	5.1	4.2	5.5	4.0	**	**
6	Etobicoke (Central)	7.2	5.2	7.8	5.1	8.4	6.3	7.2	5.2	5.2	3.4
7	Etobicoke (North)	8.0	6.9	20.8	17.0	3.1	2.3	8.5	7.5	10.8	9.2
5-7	Etobicoke	6.7	5.1	7.7	6.4	6.4	5.0	6.9	5.2	6.6	4.9
8	York	6.0	4.1	7.5	5.0	7.0	4.6	4.6	3.4	3.2	2.1
9	East York	7.9	6.4	7.0	5.7	9.2	7.6	6.3	4.9	6.1	5.1
10	Scarborough (Central)	7.8	5.4	11.2	9.5	8.0	5.5	7.9	5.3	4.7	3.3
11	Scarborough (North)	7.1	4.2	8.0	3.4	7.0	4.1	7.6	4.7	4.4	2.1
12	Scarborough (East)	6.9	4.9	1.7	1.3	8.3	6.3	6.3	4.5	7.4	4.5
10-12	Scarborough	7.4	5.0	7.9	6.2	7.9	5.4	7.2	4.9	6.1	3.7
13	North York (Southeast)	8.5	6.4	8.0	5.2	7.9	5.7	8.7	6.5	9.6	7.6
14	North York (Northeast)	5.8	4.5	3.0	2.5	6.4	5.1	5.6	4.1	5.7	4.4
15	North York (Southwest)	6.5	4.9	6.7	4.7	8.2	6.3	5.6	4.1	3.0	2.0
16	North York (N. Central)	4.4	2.9	8.5	4.8	4.4	3.3	4.2	2.9	4.3	2.0
17	North York (Northwest)	7.7	5.5	9.6	6.7	7.0	4.9	8.3	6.0	7.0	5.1
13-17	North York	6.8	5.0	7.5	5.1	6.8	5.1	6.9	5.0	6.4	4.6
1-17	Toronto	6.2	4.3	6.0	4.1	6.2	4.3	6.2	4.4	6.1	4.3
18	Mississauga (South)	8.7	6.2	4.1	3.7	9.2	6.6	8.7	6.3	7.7	5.0
19	Mississauga (Northwest)	4.9	3.0	**	**	4.1	1.7	5.4	3.7	**	**
20	Mississauga (Northeast)	6.2	4.9	4.9	3.7	5.3	4.3	7.1	5.5	5.6	4.3
18-20	Mississauga City	7.2	5.2	4.3	3.4	7.0	5.0	7.5	5.6	6.4	4.5
21	Brampton (West)	7.7	5.8	6.4	5.5	6.6	4.9	9.0	6.8	3.8	2.7
22	Brampton (East)	6.2	2.2	8.2	4.1	6.1	1.2	7.0	2.8	3.6	1.7
21-22	Brampton City	7.0	4.2	7.0	5.1	6.5	3.6	8.1	5.0	3.7	2.0
23	Oakville	4.6	3.0	**	**	4.5	3.8	4.5	2.7	**	**
24	Caledon	**	**	**	**	**	**	**	**	**	**
25	R.Hill,Vaughan, King	3.8	1.7	3.0	0.0	3.0	1.1	4.4	2.1	5.0	3.8
26	Aurora,Newmk, Whit-St.	3.5	2.5	5.6	3.8	3.6	2.1	3.3	2.7	4.2	4.2
27	Markham	1.0	0.7	8.3	8.3	0.4	0.2	1.3	0.9	1.6	0.0
25-27	York Region	3.0	1.8	4.3	1.9	2.5	1.2	3.1	2.0	3.9	3.1
28	Pickering,Ajax,Uxbridge	6.5	4.0	**	**	0.6	0.6	8.3	5.8	**	**
29	Milton, Halton Hills	3.7	2.0	0.0	0.0	3.8	2.5	4.1	1.9	0.0	0.0
30	Orangeville	3.5	1.8	**	**	4.1	1.9	2.4	1.5	**	**
31	Bradford,W.Gwillimbury	8.0	5.3	7.3	3.7	3.4	1.9	10.7	7.3	**	**
18-31	Remaining CMA	6.4	4.3	5.7	3.8	6.0	4.1	6.9	4.8	5.3	3.3
1-31	Toronto CMA	6.2	4.3	6.0	4.1	6.2	4.3	6.3	4.5	5.9	4.1

**Vacancy Rates and Average Rents By Height & By Bedroom Type/Private Apartments-3+Units
Toronto CMA, 2003-2004**

Vac Rate	All Units		Bachelor		One Bedroom		Two Bedroom		Three Bedroom +	
	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004
No Storey	4.9	6.3	**	**	**	5.6	**	7.5	**	**
1 - 4 Storeys	4.3	4.6	5.9	5.9	4.3	4.7	3.8	4.3	3.9	3.0
5 - 9 Storeys	3.9	4.2	4.7	3.8	4.1	4.8	3.5	3.9	3.8	3.3
10+ Storeys	3.6	4.3	3.0	3.0	3.7	3.9	3.6	4.7	3.4	4.7
Total	3.8	4.3	4.2	4.1	3.9	4.3	3.7	4.5	3.6	4.1

Avg Rent	All Units		Bachelor		One Bedroom		Two Bedroom		Three Bedroom +	
	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004
No Storey	1,009	1,008	**	**	**	881	**	1126	**	**
1 - 4 Storeys	878	885	636	656	810	815	970	986	1,169	1,159
5 - 9 Storeys	924	919	725	707	862	847	981	987	1,092	1,097
10+ Storeys	1,014	1,030	783	786	928	933	1,088	1,099	1,257	1,298
Total	964	973	731	727	884	886	1,040	1,052	1,211	1,235

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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 10-11

Mortgage Rate Forecast 2005

An increasing pace of inflation between now and the end of 2005 suggests tighter monetary policy to combat inflation. The Bank of Canada is widely expected to increase the overnight rate by another 25 to 50 basis points between now and the end of 2004. Look for short term rates to increase by another 50-100 basis points through 2005. This will help bring interest rates net of inflation better in line with real economic growth

Chartered banks have already nudged mortgage rates higher with posted short term and long term rates up by 50 basis points since early this year. Look for mortgage rates to rise by another 50-100 points in 2005 with the one, three and five year rates in the 4.75-6.00, 5.75-6.75 and 6.25-7.50 per cent range respectively.

Despite trending higher, mortgage rates will still remain affordable on a historical basis. Indeed interest rates may not rise by the amount in our base case scenario if energy prices weigh on consumer spending, the Canadian dollar chokes the export market and or the US expansion is derailed. Alternatively, rates may rise faster than expected if excess capacity or the output gap is smaller than what was anticipated and inflation surprises to the upside.

