RENTAL MARKET REPORT

Windsor

Canada Mortgage and Housing Corporation

WINDSOR CMA VACANCY RATE CONTINUES TO RISE IN 2002

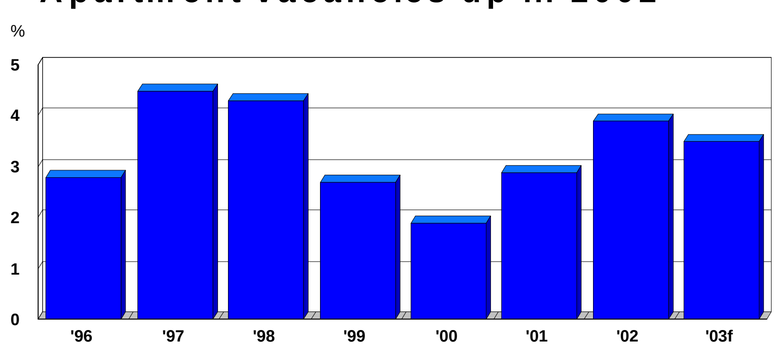
ANNUAL SURVEY
OCTOBER 2002

Renter's choice of apartment units increased once again in the Windsor Census Metropolitan Area (CMA) for the second year in a row. The rate hit 3.9 per cent, a full percentage point above the 2.9 per cent recorded in the October 2001 survey. The lure of low mortgage rates and the comparable carrying cost between homeownership and rental payments drew renters out of apartments. As a result the number of vacant rental units increased from 435 units last year to 600 units in 2002.

The move to homeownership as evidenced by the booming new construction and hot resale markets explains most of the decline in demand for rental units as opposed to a poor economy. While employment among the 15-24 year-old "prime renters" is still below levels two years ago, it has stabilized. In - migration to the Windsor-Essex area has also been very strong.

Mortgage interest rates did not rise as anticipated in 2002. The continuing low rates urged any possible fence sitters to switch from renting to owning.

Apartment vacancies up in 2002



Source: CMHC

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SUMMARY AND FORECAST

Windsor's private apartment vacancy rate rose to 3.9 per cent in October 2002 from 2.9 per cent in October 2001.

Interest rates should rise in 2002 along with continuing strong in-migration to the Windsor area, prompting a slight vacancy rate decrease to 3.5 per cent by next October.

Windsor's average two-bedroom apartment rent rose to $769 in October 2002, up 4.2 per cent from October 2001. This is slightly above the provincial guideline of 3.9 per cent but follows a negligible increase of 0.3 per cent in 2001. The average two-bedroom apartment rent is forecast to increase 3 per cent in 2003 to $792.

Vacancies were also up in the assisted housing rental sector, going from 1.5 per cent in 2001 to 2.4 per cent in 2002.

Windsor economy was healthy in 2002 as the number of employed persons grew by 2.5 per cent. The forecast for 2003 calls for employment growth of 3.5 per cent.

On the supply side only 42 new apartment rental units were completed. The University of Windsor also completed a 300 bed rescidence. Nevertheless, the universe of rental units in apartments buildings with 3 or more units was down slightly to 15,211, compared to 15,256 in October 2001.

All zones in Windsor City have higher vacancies

All four zones in Windsor City experienced higher vacancies in 2002. The greatest increase was in zone 2 east inner, where the rate jumped from 2.6 per cent in 2001 to 5.5 per cent in 2002. This area is located next to the core and near the Windsor Casino. Units in this zone had the second highest average two bedroom rents in the CMA in 2001. As such, many renters in zone 2 took advantage of low rates and moved to homeownership resulting in two bedroom vacancy rates rising to 7.3 per cent compared to 2.7 per cent in 2001 while rental increases were limited to only 1.7 per cent in 2002.

Zone 1 - centre had the least change in vacancy rate going from 4.0 per cent to 4.2 per cent. This is the zone encompassing the downtown area and the new Chrysler headquarters. Demand for one bedroom units increased as downtown workers looked for accommodation close to work.

Zone 4 -west which includes the University of Windsor and St. Clair College, had the lowest vacancy rate in the City at 3.1 per cent. due to the demand from students for accommodation. This zone also has the lowest one and two bedroom average rents due to lower household income.

In areas surrounding the City in zone 5 the vacancy rate dropped 0.1 per cent to 1.4 per cent in October 2002. This change is not significant as the universe size is small enough that one more vacant unit would have left the rate at 1.5 per cent.

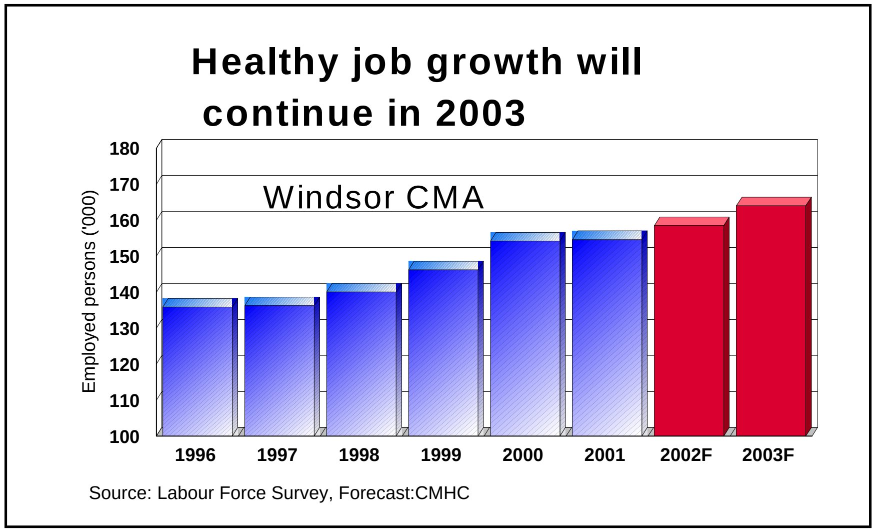
The vacancy rate hike came despite the increase in migration to the Windsor-Essex area. Due to the affordability of homeownership in the area with an average MLS house price of $148,000 and two bedroom rents that rate as the highest in Southern Ontario, most of these new migrants turned to ownership.

Vacancies by age of building were higher in units completed after 1985, especially in zone 2 -east inner. for 2 bedroom units. The rental charges on these newer, multi-bedroom units would approach mortgage payments.

Assisted Housing Vacancies Rise

CMHC's survey found more vacant units among Windsor's government-assisted housing stock. Last October's combined apartment and row vacancy rate in this "non-market" sector rose to 2.4 per cent from 1.5 per cent in October 2001. This is equivalent to 176 vacant units out of the universe of 7,376 units. There were only three vacant bachelor units recorded at the time of the survey. One bedroom and two bedroom units recorded a vacancy rate of 2.9 per cent and 1.4 per cent respectively.

Employment growth, Low Mortgage Rates Fuel Move to Ownership



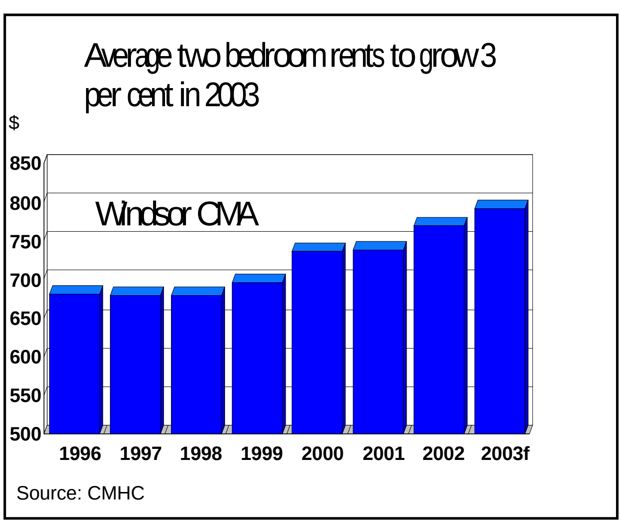
With only 42 new rental apartment units on the market, demand factors continue to drive the rental market in the Windsor CMA. After two years of negative job growth in the 15-24 year age group there is less demand for rental units as these young adults cannot afford to move out from the family home and thereby reducing the number of new households formed. The trend to stay in the parental home longer is confirmed by the 2001 Census which found that 43.4 per cent of young adults aged 20-29 lived with their parents, this compares to a rate of 36.1 per cent in London.

While job growth has been negative for young adults in the Windsor area, it has surged ahead for the 25-44 year segment. This group saw an increase of 8.6 per cent or 5,800 more full time jobs between September 2001 and September 2002. The increase in jobs combined with income growth through lucrative contract settlements has allowed more renter households to switch to homeownership in the past 12 months.

Both the new and resale ownership housing markets were very active in Windsor in 2002. The number of homes sold through the Windsor Essex County Real Estate Board was up 6.8 per cent in the first 10 months. By year-end, resale homes will have gained 7.6 per cent in equity on average.

Single-detached new housing construction is on the way to hit 1,700 units for only the third time, and repeat again in 2003.

With renters moving to homeownership, combined with an increase in job-seeking migrants, Windsor's rental market was very dynamic in 2002. With an average MLS house price of only $148,000 some new migrants either turned to homeownership while others opted for newly vacated rental units. In fact, although overall vacancies increased, stronger economic and income growth resulted in higher achievable rents.



Two bedroom apartment rents rose $31, or 4.2 per cent, to $769 in the October 2002 survey. This hike above the provincial 3.9 per cent guideline comes on the tail of a $2 increase in 2001. Rent increases in one bedroom units remained stable at 3.2 per cent, a repeat of gains in 2001.

Actual vacant row units only increased by 9 units in the 2002 survey but due to the small size of the universe the vacancy rate for the Windsor CMA rose from 1.9 per cent in 2001 to 3.6 per cent. The row universe includes 4 federal index linked mortgage co-ops which represent 44 per cent of the supply. The universe has been shrinking due to conversions to homeownership.

Acknowledgement

The success of the Rental Market Survey depends on the co-operation of property owners and managers across Canada. We acknowledge their assistance in providing timely and accurate information. We sincerely hope that the results of this work will provide a benefit to these clients and the entire housing industry.

CANADA'S VACANCY RATE RISES TO 1.7%

The average rental apartment vacancy rate in Canada's 28 metropolitan centres rose to 1.7 per cent from 1.1 per cent in October 2001. This is the first increase in the vacancy rate since 1992.

Many factors contributed to the increased vacancy rates over the past year. Foremost mong them are low mortgage rates, which have reduced the carrying cost of homeownership. This encouraged many people to switch from renting to owning, causing vacancy rates to go up in many metropolitan areas.

Seventeen of Canada's 28 metropolitan areas have higher vacancy rates than one year ago. The highest recorded vacancy rates are in Saint John (NB), Sudbury, Chicoutimi-Jonquiere and Thunder Bay. The lowest vacancy rates recorded are in Quebec City, Gatineau, Montreal, and Kingston.

Vacancy rates were higher in eight of Ontario's 11 metropolitan areas. Of the eight metropolitan areas with higher rates, Toronto, Kitchener, Ottawa, Oshawa and Windsor increased by one percentage point or more.

CMHC's Ontario Retirement Homes Report

The Ontario-wide vacancy rate for all bed types was 12.5% in 2002. Order your copy today for the full comprehensive report by calling
1-800-493-0059.

Apartment Vacancy Rates For Census Metropolitan Areas

2002 Rank	Census Metropolitan Area (CMA)	Vacancy (%) 2001	Vacancy (%) 2002	2002 Universe	2002 Vacant
1	Quebec	0.8	0.3	75,743	258
2	Gatineau	0.6	0.5	19,100	99
3	Montreal	0.6	0.7	464,552	3,352
4	Kingston	1.5	0.9	11,349	99
4	Winnipeg	1.4	1.2	53,375	616
6	Vancouver	1.0	1.4	106,416	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-Rivieres	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 (1)	**1.2**	**1.7**	**1,520,827**	**23,813**

(1) weighted average for CMAs

*Census Agglomerations

TABLE 1: APARTMENT VACANCY RATES

Vacancy rates by zone for private 3+ unit buildings (%) Windsor 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 - Centre	4.0	4.2	6.0	8.1	4.7	3.6	2.5	4.5	**	**
Zone 2 - E. Inner	2.6	5.5	**	**	2.5	3.1	2.7	7.3	**	**
Zone 3 - E. Outer	2.6	4.3	2.3	2.5	2.3	3.4	3.2	5.9	**	**
Zone 4 - West	2.1	3.1	4.1	1.8	1.6	2.9	2.0	2.8	**	**
Zones 1-4 Windsor City	3.0	4.1	4.1	5.0	3.0	3.3	2.6	5.0	5.9	4.7
Zone 5 - Remainder	1.5	1.4	**	**	1.9	2.1	1.3	0.7	**	**
Windsor CMA	**2.9**	**3.9**	**4.0**	**5.0**	**2.9**	**3.2**	**2.4**	**4.6**	**5.3**	**4.7**

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

TABLE 2: APARTMENT STOCK AND VACANCIES

Private 3+ unit apartment universe and vacancies by zone Windsor 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 - Centre	215	5,144	31	385	99	2,775	84	1,869	**	**
Zone 2 - E. Inner	113	2,063	**	**	29	907	72	989	**	**
Zone 3 - E. Outer	151	3,550	8	328	54	1,587	88	1,485	**	**
Zone 4 - West	106	3,419	3	184	57	1,982	33	1,162	**	**
Zones 1-4 Windsor City	585	14,176	49	975	239	7,251	277	5,505	21	444
Zone 5 - Remainder	15	1,035	**	**	10	754	4	542	**	**
Windsor CMA	**600**	**15,211**	**49**	**986**	**248**	**7,705**	**280**	**6,047**	**22**	**473**

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

TABLE 3: APARTMENT VACANCY RATES

Vacancy rates by age of building and sub-market (%) Windsor 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 - Centre	4.2	4.2	8.1	N/U	3.5	10.0	4.6	3.1	1.2	0.0
Zone 2 - E. Inner	4.9	21.4	8.1	N/U	3.1	N/U	6.1	21.4	6.2	N/U
Zone 3 - E. Outer	4.4	1.6	2.5	N/U	3.6	0.0	6.2	2.8	0.7	0.0
Zone 4 - West	2.6	9.3	1.2	20.0	2.9	0.0	1.9	7.7	6.6	39.2
Zone 5 - Remainder	1.7	0.0	0.0	N/U	2.2	0.0	0.9	0.0	4.7	N/U
Windsor CMA	**3.8**	**5.7**	**4.9**	**20.0**	**3.2**	**2.6**	**4.5**	**5.6**	**3.2**	**17.1**

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

Data are on 1996 census area definitions. Zone 5 adjusted to include Amherstburg.

TABLE 4: APARTMENT VACANCY RATES

Vacancy rates by size of building (%) Windsor 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	4.1	5.2	7.5	**	**	6.6	7.2	4.9	8.1	**	3.6
6 - 19 Units	1.7	3	4.5	2.5	9.9	3.3	4	1.9	3.7	**	**
20 - 49 Units	1.4	2.4	3.2	2.7	5.4	2.9	3.4	1.5	2.4	**	**
50 - 99 Units	0.7	1.6	2.6	7.7	1.6	1.1	1.8	1.3	3.7	9.1	4.5
100+ Units	2.6	3	3.3	**	**	2.9	1.7	2.7	5.9	**	**
All Sizes	1.9	2.9	3.9	4	5	2.9	3.2	2.4	4.6	5.3	4.7

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

TABLE 5: APARTMENT VACANCY RATES

Vacancy rates by structure height (%) Windsor 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	3.1	4.1	5.5	4.9	6.4	4.1	4.5	3.7	6.4	8.2	6.8
5 - 9 Storeys	0.4	1.3	1.6	1.3	0	1.5	1.8	1.2	1.2	**	**
10+ Storeys	0.7	1.5	2.9	**	**	1.8	2.1	1	4.2	**	**
All heights	1.9	2.9	3.9	4	5	2.9	3.2	2.4	4.6	5.3	4.7

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

TABLE 6: PRIVATE APARTMENT UNIVERSE

Apartment vacancies and universe by building age Windsor 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
Pre-1960	231	3,620	40	499	103	1,783	87	1,229	2	109
1960-1975	150	5,310	7	437	90	2,906	46	1,692	7	274
1976-1985	165	5,336	1	43	51	2,817	109	2,434	4	42
1986 and later	54	945	1	6	5	199	39	691	8	49
Total	**600**	**15,211**	**49**	**986**	**248**	**7,705**	**280**	**6,047**	**22**	**473**

TABLE 7: APARTMENT STOCK AND VACANCIES

Private apartment universe and vacancies by structure size Windsor 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	148	1,981	**	**	46	633	93	1,145	5	128
6 - 19 Units	150	3,366	18	181	74	1,859	47	1,265	**	**
20 - 49 Units	128	3,996	19	350	75	2,204	33	1,400	**	**
50 - 99 Units	73	2,817	2	128	26	1,496	41	1,124	3	68
100+ Units	100	3,051	**	**	26	1,512	65	1,112	**	**
All sizes	**600**	**15,211**	**49**	**986**	**248**	**7,705**	**280**	**6,047**	**22**	**473**

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TABLE 9: APARTMENT RENTS

Average rents by bedroom type and sub-market area ($) Windsor CMA								
Rental Sub-market	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +	
	2001	2002	2001	2002	2001	2002	2001	2002
Zone 1 - Centre	432	429	611	626	729	767	**	**
Zone 2 - E. Inner	**	**	604	629	749	762	**	**
Zone 3 - E. Outer	510	527	659	676	763	782	**	**
Zone 4 - West	472	500	593	618	722	759	**	**
Zones 1-4 Windsor City	465	481	616	636	739	769	887	912
Zone 5 - Remainder	**	**	652	668	729	772	**	**
Windsor CMA	**466**	**481**	**618**	**638**	**738**	**769**	**883**	**906**

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

TABLE 10: ASSISTED STOCK AND VACANCIES

Assisted apartment and row supply and vacancies by sub-market and bedroom type Windsor 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 - Centre	73	2,383	0	196	68	1,747	4	313	1	127
Zone 2 - E. Inner	9	484	1	23	6	291	1	74	1	96
Zone 3 - E. Outer	50	2,522	0	39	1	780	10	781	39	923
Zone 4 - West	43	1,549	2	115	30	669	7	265	4	500
Zones 1-4 Windsor City	175	6,938	3	373	105	3,487	22	1,433	45	1,646
Zone 5 - Remainder	1	438	0	0	0	114	1	159	0	165
Windsor CMA - All	**176**	**7,376**	**3**	**373**	**105**	**3,601**	**23**	**1,592**	**45**	**1,810**
- Apt	**123**	**5,307**	**2**	**231**	**102**	**3,499**	**14**	**1,214**	**5**	**364**
- Row	**53**	**2,069**	**1**	**142**	**3**	**102**	**9**	**378**	**40**	**1,447**

TABLE 11: ROW HOUSING VACANCIES AND SUPPLY

Vacancy rates (%) and rental stock by sub-market and bedroom type Windsor CMA												
Rental Sub-market	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 - Centre	**	**	**	**	**	**	**	**	**	**	**	**
Zone 2 - E. Inner	**	**	**	**	**	**	**	**	**	**	**	**
Zone 3 - E. Outer	**	**	**	**	1.7	4.3	**	**	**	**	8	187
Zone 4 - West	1.9	**	0	**	**	**	**	**	**	**	**	**
Zones 1-4 Windsor City	1.6	4.3	0.6	**	2	**	20	475	**	**	12	269
Zone 5 - Remainder	**	**	**	0	**	**	**	**	0	39	**	**
Windsor CMA	**1.9**	**3.6**	**1.1**	**2.1**	**2.4**	**	**20**	**563**	**4**	**207**	**12**	**311**

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

Data are on 1996 census area definitions. Zone 5 adjusted to include Amherstburg.

Codes Used In Tables:

Code	Definition
N/U	No units of this type in the Universe
N/A	Used when there are no structures in sample.
**	Information not released to ensure confidentiality and accuracy of survey results.

ZONE DEFINITIONS

Zone	Zone Name	BOUNDARIES North	East	South	West
1*	Centre	Detroit River	Pierre, Moy Parkwood	C.P. Rail, Ypres Blvd.	Conrail
2*	East Inner	Detroit River	Buckingham, Raymo, Norman, Chrysl	C.P. Rail, Tecumseh Rd.	Zone 1
3*	East Outer	Detroit River	City Limit	City Limit	Zone 2
4*	West	Conrail	Howard Avenue	City Limit	Zone 3
5 **	Rest of CMA	Includes: Amherstburg Twp, Essex T., LaSalle T., Lakeshore Twp., St. Clair Beach V./ Sandwich South Twp./ Tecumseh T.			

* Indicates zone in the City of Windsor

** Due to municipal amalgamation, Zone 5 now includes Amherstburg

METHODOLOGY

Canada Mortgage and Housing Corporation conducts the Rental Market Survey every 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.All markets in Canada with populations over 10,000 are surveyed. Buildings which have been recently completed must be on the market for at least three months before they are included in the survey universe.While this report focuses on privately-initiated apartment buildings which have three or more units available for rent, the CMHC survey also covers private row housing developments and all publicly-assisted rental, non-profit and co-op housing projects.

DEFINITIONS

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

Rent: This is the actual amount a tenant pays per month for their unit. A rental incentive, for example, first month free is not pro-rated over the 12-month lease. Amenities and services such as heat, light, hot water, cable and laundry facilities may or may not be included in the monthly rents reported. The weighted average rent figures in this report represent the average of different units in the market area, some of which may have some or all of these services.

Rental apartment: Any building which is not ground-oriented and contains three or more units available for rent. Owner-occupied units(s) are not included in the rental building's unit count. For example, an owner-occupied tri-plex would be excluded from the survey (less than three units), while 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 if the units are tenant-occupied and vacancies are available for rent. Contact your local CMHC office for clarification on developments which are occupied by both homeowners and tenants.

Reliability: The comprehensive coverage of CMHC's rental survey ensures reliable results by bedroom type; structure size and height; age and for the five Census-based zones which make up the Windsor Census Metropolitan Area (CMA). In 2001, the private apartment vacancy rates were based on data gathered from 10,341 apartment units or 68 per cent of the private 3+ apartment universe of 15,256 units. The private row housing sample (including index-linked mortgage co-operatives) included 541 of the universe of 567 units. And 100 per cent of the 7,321 -unit publicly assisted universe of apartments and row units was surveyed.

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