



Ontario

RENTAL MARKET REPORT

Canada Mortgage and Housing Corporation

Ontario's vacancy rate jumps

TORONTO, November 2003 -- Ontario's average vacancy rate jumped almost 30 per cent, rising for the third consecutive year. The province's average vacancy rate moved up to 3.5 per cent in October 2003 from 2.7 per cent a year ago. All bedroom types registered significantly higher vacancy rates.

Ontario's average two bedroom apartment rent stayed essentially unchanged, edging up by 0.3 per cent from last year, which was less than one fifth of October's 1.6 per cent Consumer Price Index inflation rate.

Two bedroom apartment vacancy rates jumped in nine of Ontario's 11 Census Metropolitan Areas (CMAs). London, St. Catharines-Niagara and Kingston had Ontario's tightest rental markets, with two bedroom unit vacancy rates of 1.9, 2.0 and 2.2 per cent respectively. Windsor, Toronto and Kitchener are the province's and Canada's coolest rental markets, with two bedroom unit vacancy rates of 5.0, 3.7 and 3.4 per cent respectively.

Major demand factors responsible for the lower rental demand include the affordable mortgage rates and a dip in net migration to the province. Affordable mortgage rates induce some rental households to take the plunge into home-ownership. First-time home buyers tend to be active during periods when borrowing costs are low. The current principal and interest carrying cost on Ontario's average priced resale home remains very low by historical standards.

The migration story is that new arrivals tend to be renters and net migration to Ontario has been lower this year. Latest available partial migration data to October 2003 shows immigration (from abroad), which is the main contributor of population growth, was approximately a seventh lower than over the same period last year. Net inter-provincial migration data for the first half year registered as a modest outflow to other provinces compared to modest gains last year.

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Apartment Vacancy Rates	2002	2003
Bachelor	3.1%	4.3%
1 Bedroom	2.7%	3.6%
2 Bedroom	2.6%	3.4%
3 Bedroom and +	2.7%	3.5%
Total	2.7%	3.5%

Average Apartment Rents	2002	2003
Bachelor	\$645	\$651
1 Bedroom	\$766	\$767
2 Bedroom	\$883	\$886
3 Bedroom and +	\$1,111	\$1,084
Total	\$836	\$836

Apartment Units (2003)	Vacant	Total
Bachelor	1,772	41,268
1 Bedroom	8,805	245,732
2 Bedroom	9,600	285,254
3 Bedroom and +	1,480	42,853
Total	21,656	615,107



1. Apartment Vacancy Rates

Apartment Vacancy Rates by Ontario's Census Metropolitan Areas and Bedroom Type

Area	Bachelor		One Bedroom		Two Bedroom		Three Bedroom +		Total	
	'02	'03	'02	'03	'02	'03	'02	'03	'02	'03
Hamilton CMA	2.5	4.9	1.5	3.2	1.6	2.8	1.1	1.7	1.6	3.0
Kingston CMA	0.5	1.9	0.7	1.0	1.1	2.2	0.6	5.0	0.9	1.9
Kitchener CMA	1.0	2.6	2.3	3.0	2.3	3.4	3.7	3.6	2.3	3.2
London CMA	3.7	2.9	1.2	2.0	2.4	1.9	2.9	2.9	2.0	2.1
Oshawa CMA	3.8	2.0	1.8	3.3	2.1	2.9	4.7	1.9	2.3	2.9
Ottawa CMA	2.0	3.2	2.3	2.8	1.5	2.9	1.6	3.4	1.9	2.9
St. Catharines-Niagara CMA	4.2	3.6	2.6	3.7	2.1	2.0	2.5	2.3	2.4	2.7
Sudbury CMA	12.5	9.6	5.9	4.6	4.1	2.4	2.5	2.1	5.1	3.6
Thunder Bay CMA	14.1	5.5	5.3	3.3	3.8	3.3	6.8	2.1	4.7	3.3
Toronto CMA	2.8	4.2	2.7	3.9	2.4	3.7	2.3	3.6	2.5	3.8
Windsor CMA	5.0	5.0	3.2	3.6	4.6	5.0	4.7	6.5	3.9	4.3

2. Average Apartment Rents

Average Apartment Rents by Ontario's Census Metropolitan Areas and Bedroom Type

Area	Bachelor		One Bedroom		Two Bedroom		Three Bedroom +		Total	
	'02	'03	'02	'03	'02	'03	'02	'03	'02	'03
Hamilton CMA	\$476	\$497	\$627	\$633	\$765	\$778	\$952	\$946	\$699	\$710
Kingston CMA	\$471	\$504	\$598	\$627	\$727	\$768	\$851	\$934	\$675	\$715
Kitchener CMA	\$518	\$516	\$638	\$645	\$750	\$753	\$898	\$943	\$714	\$719
London CMA	\$440	\$458	\$566	\$586	\$705	\$736	\$900	\$933	\$646	\$673
Oshawa CMA	\$579	\$581	\$713	\$752	\$819	\$845	\$925	\$944	\$789	\$820
Ottawa CMA	\$624	\$627	\$767	\$768	\$930	\$932	\$1129	\$1168	\$836	\$838
St. Catharines-Niagara CMA	\$431	\$434	\$583	\$600	\$695	\$704	\$786	\$813	\$650	\$668
Sudbury CMA	\$387	\$388	\$513	\$524	\$647	\$651	\$719	\$728	\$590	\$598
Thunder Bay CMA	\$398	\$421	\$532	\$552	\$657	\$672	\$820	\$834	\$612	\$627
Toronto CMA	\$729	\$731	\$891	\$884	\$1047	\$1040	\$1253	\$1211	\$975	\$964
Windsor CMA	\$481	\$492	\$638	\$648	\$769	\$773	\$906	\$936	\$686	\$699