

RENTAL MARKET REPORT

Apartment vacancies edge up

LONDON - November 26, 2002 - The rental apartment vacancy rate in the London CMA (census metropolitan area) reversed a five year downward trend in October 2002, rising slightly to 2.0 per cent from 1.6 per cent in October 2001, according to the annual **Rental Market Survey** released today by Canada Mortgage and Housing Corporation (CMHC).

Higher vacancy levels were recorded in many of Southern Ontario's urban centres, including Guelph, Kitchener and Windsor in the Western Ontario region. In the London CMA's three major markets the vacancy rate moved up in the City of London from 1.5% to 1.9%; in St. Thomas the rate edged up from 3.3% to 3.4%; and, in Strathroy-Caradoc, now part of the CMA the rate decreased from 4.3% to 1.7%. All but one of the 8 sub-markets in the City of London recorded a higher vacancy rate. The exception was Zone 3, North London where the rate slipped slightly to 1.5% from 1.6%. The area with the lowest rate continues to be in Zone 4, Northwest London at 0.5% with the highest rate in Zone 8, East London at 3.3%. Most of the rise in vacancies were found in 2 and 3 bedroom suites with fewer vacant one bedroom units.

Sales of existing homes will eclipse last year's record high. Construction of new homes are at levels not seen since the boom of the late 1980's. Many first-time buyers have made the move from rental to home ownership in 2002, attracted by low mortgage rates and motivated by strong consumer confidence in the economy and rising home prices. On the supply side, only 76 private rental apartments were completed between July 2001 and September 2002 with almost all of the units targeted to University students. The only major project under construction is a 220-unit luxury high rise in downtown London. The first of two planned towers, it will not be available until the second half of 2003.

Average rents for all bedroom types moved higher in 2002. The rent for a two bedroom unit increased 3.2% to \$705 on the heels of a 4.0% rise in 2001 to \$683. One bedroom average rents increased 3.5% to \$566 from \$547; Bachelor accommodation increased 1.6% to \$440 after rising 4.1% in 2001; and 3 bedroom + apartments the average rent hit \$900, up 5.6%.

London's row housing vacancy rate decreased to 1.7% from 2.5% with a 2.2% rate in two bedroom rows and 1.5% in 3 bedroom+ units. The average two bedroom rent increased 2.3% from \$729 to \$746 and 3 bedroom+ units rose 4.0% from \$778 to \$809. In the London CMA's supply of 8,159 assisted row and apartment units there were 128 vacancies or a 1.6% vacancy rate, almost unchanged from 1.5% in 2001.

For detailed analysis by age and size of building and 2003 forecast, order the 12-page **London Rental Market Report**. Call 1-800-493-0059.

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London CMA

Canada Mortgage and Housing Corporation

London CMA

Vacancy Rates by Apartment Type	2001	2002
Bachelor	3.1%	3.7%
1 Bedroom	1.3%	1.2%
2 Bedroom	1.8%	2.4%
3 Bedroom +	1.2%	2.9%
Total	1.6%	2.0%

Average Rents by Apartment Type	2001	2002
Bachelor	\$433	\$440
1 Bedroom	\$547	\$566
2 Bedroom	\$683	\$705
3 Bedroom +	\$852	\$900

Apartment Types	Vacant Units	Total Units
Bachelor	48	1,310
1 Bedroom	185	15,666
2 Bedroom	491	20,504
3 Bedroom +	42	1,424
Total	765	38,903

Survey covers private apartment buildings which have at least 3 units available to rent.



I. Apartment Vacancy Rates

Apartment Vacancy Rates by Zone and Bedroom Type

LONDON CMA (Census Metropolitan Area)

Sub-market Areas	Bachelor		One Bedroom		Two Bedroom		Three Bedroom +		Total	
	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002
Zone 1 - Downtown North	4.3	7.1	1.8	2.4	3.6	2.8	**	**	2.7	2.9
Zone 2 - Northeast	1.3	1.8	1.5	0.5	1.7	2.8	**	**	1.6	1.9
Zone 3 - North	2.1	3.0	0.6	0.3	2.3	2.0	1.0	4.6	1.6	1.5
Zone 4 - Northwest	0.0	0.0	0.3	0.3	0.3	0.8	1.1	0.6	0.3	0.5
Zone 5 - Southwest	**	0.0	0.6	0.8	1.5	2.6	**	**	1.2	1.9
Zone 6 - Central South	0.5	2.6	1.9	1.5	1.8	2.0	**	**	1.7	1.7
Zone 7 - South	2.9	0.0	0.8	0.7	1.5	2.5	1.9	3.3	1.3	1.9
Zone 8 - East	**	**	1.9	2.0	3.0	4.1	**	**	2.6	3.3
Zones 1-8 London City	2.7	3.2	1.1	1.0	1.7	2.4	1.3	2.9	1.5	1.9
Zone 9 - St. Thomas	**	**	4.2	3.7	2.7	2.9	**	**	3.3	3.4
Zone 10 - Strathroy	**	**	6.1	2.0	3.0	1.4	**	**	4.3	1.7
Zone 11 - Rest of CMA	N/U	N/U	**	0.0	**	0.0	N/U	N/U	4.6	0.0
LONDON CMA	3.1	3.7	1.3	1.2	1.8	2.4	1.2	2.9	1.6	2.0

2. Average Apartment Rents

Apartment Rents by Zone and Bedroom Type

LONDON CMA (Census Metropolitan Area)

Sub-market Areas	Bachelor		One Bedroom		Two Bedroom		Three Bedroom +	
	2001	2002	2001	2002	2001	2002	2001	2002
Zone 1 - Downtown North	420	420	537	554	755	776	**	**
Zone 2 - Northeast	428	449	515	537	606	637	706	**
Zone 3 - North	463	496	580	604	817	829	1,174	1,291
Zone 4 - Northwest	475	486	601	620	738	769	883	915
Zone 5 - Southwest	**	472	559	581	713	730	**	**
Zone 6 - Central South	428	426	501	522	668	705	**	**
Zone 7 - South	444	465	562	566	658	660	748	707
Zone 8 - East	**	**	503	505	579	597	**	**
Zones 1-8 London City	436	442	549	569	688	712	853	906
Zone 9 - St. Thomas	**	**	515	530	634	644	**	**
Zone 10 - Strathroy	**	**	482	**	561	**	**	**
Zone 11 - Rest of CMA	N/U	N/U	**	**	**	**	N/U	N/U
LONDON CMA	433	440	547	566	683	705	852	900

N/U = No structures in the Universe

** Not released to ensure confidentiality and accuracy of survey results.

Source: CMHC Market Analysis LONDON, October 2002 Rental Market Survey.