

### RENTAL MARKET REPORT

Canada Mortgage and Housing Corporation

## Apartment vacancy rate almost unchanged

**LONDON - November, 2003** - The vacancy rate in private rental apartment buildings in the London CMA (census metropolitan area) has remained almost unchanged over the past 12 months. In October 2003, the vacancy rate edged higher to 2.1 per cent from 2.0 per cent in October 2002, according to **Rental Market Survey** results released today by Canada Mortgage and Housing Corporation (CMHC).

While vacancies did increase slightly, the London metro area bucked the trend to higher vacancy rate increases of at least one per cent seen in the metropolitan centres of Hamilton, Kitchener, Ottawa and Toronto. The almost unchanged vacancy rate in the London CMA comes on the heels of what will likely be the third consecutive record-breaking year for existing homes sales in the London-St. Thomas region. Low mortgage rates and solid consumer confidence pulled first-time buyers (tenants) into home ownership. Offsetting factors positive for rental demand has been a recent upturn in international migration to the area and a rise in the 15-24 year age group, both populations with higher propensities to rent. There was a significant vacancy increase recorded in London's supply of 3,504 row housing units, where the rate jumped from 1.7 to 3.9 per cent, a finding consistent with a move to home ownership.

On the supply side, just 114 rental apartment units have been completed since June 2002, all targeted to University students. Not included in these figures are two new student residences, a 445-bed facility at Western and a 400-bed residence at Fanshawe College. At the end of October there were 1,041 private rental apartment units under construction in six high rise developments. These mid to high end units located in London will be on stream by mid-2004.

Average apartment rents moved higher for all bedroom types with the size of increase varying with the changes in vacancy rates. Rent increases ranged from 3.5 per cent for one bedroom accommodation to 4.4 per cent for two bedroom suites. For row house rentals, where the vacancy rate increased by more than 2 percentage points, the average increase in rents was 2.3 per cent for two bedroom units and 2.7 per cent for 3+ bedroom units, both below the provincial rental guideline increase of 2.9 per cent.

In the London CMA's supply of 8,145 publicly assisted apartment and row housing units there were 160 vacancies (65 apartments and 95 row units) or a 2.0 per cent vacancy rate, up from 1.6 per cent in October 2002.

Need more detailed rental market information by age and size of building and the 2004 rental market outlook for the London CMA, please call 1-800-493-0059 and order the 12-page **Rental Market Report** or custom tables.

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### London CMA

Vacancy Rates by Apartment Type	2002	2003
Bachelor	3.7%	2.9%
1 Bedroom	1.2%	2.0%
2 Bedroom	2.4%	1.9%
3 Bedroom +	2.9%	2.9%
Total	2.0%	2.1%

Average Rents by Apartment Type	2002	2003
Bachelor	\$440	\$458
1 Bedroom	\$566	\$586
2 Bedroom	\$705	\$736
3 Bedroom +	\$900	\$934

Apartment Types	Vacant Units	Total Units
Bachelor	39	1,324
1 Bedroom	322	15,851
2 Bedroom	391	20,122
3 Bedroom +	45	1,526
Total	797	38,824

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



## 1. 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	
	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003
Zone 1 - Downtown North	7.1	1.2	2.4	3.0	2.8	3.7	**	**	2.9	3.2
Zone 2 - Northeast	1.8	3.6	0.5	2.2	2.8	1.4	**	**	1.9	1.7
Zone 3 - North	3.0	10.1	0.3	1.7	2.0	2.0	4.6	**	1.5	2.5
Zone 4 - Northwest	0.0	0.0	0.3	0.2	0.8	0.6	0.6	1.5	0.5	0.4
Zone 5 - Southwest	0.0	**	0.8	1.3	2.6	1.8	**	**	1.9	1.6
Zone 6 - Central South	2.6	1.6	1.5	3.2	2.0	5.5	**	**	1.7	3.8
Zone 7 - South	0.0	8.3	0.7	2.4	2.5	1.8	3.3	4.1	1.9	2.3
Zone 8 - East	**	**	2.0	2.4	4.1	2.6	**	**	3.3	2.8
<b>Zones 1-8 London City</b>	3.2	3.1	1.0	1.9	2.4	2.0	2.9	3.1	1.9	2.0
Zone 9 - St. Thomas	**	1.4	3.7	4.0	2.9	1.1	**	**	3.4	2.0
Zone 10 - Strathroy	**	**	2.0	4.3	1.4	3.9	**	**	1.7	3.8
Zone 11 - Rest of CMA	N/U	N/U	**	**	**	**	N/U	N/U	**	**
<b>LONDON CMA</b>	3.7	2.9	1.2	2.0	2.4	1.9	2.9	2.9	2.0	2.1

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

## 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 +	
	2002	2003	2002	2003	2002	2003	2002	2003
Zone 1 - Downtown North	420	447	554	580	776	815	**	**
Zone 2 - Northeast	449	457	537	558	637	661	**	**
Zone 3 - North	496	528	604	648	829	898	1,291	**
Zone 4 - Northwest	486	497	620	635	769	790	915	958
Zone 5 - Southwest	472	**	581	600	730	766	**	**
Zone 6 - Central South	426	454	522	548	705	754	**	**
Zone 7 - South	465	475	566	594	660	695	707	757
Zone 8 - East	**	**	505	534	597	610	**	**
<b>Zones 1-8 London City</b>	442	464	569	591	712	743	906	937
Zone 9 - St. Thomas	**	382	530	525	644	673	**	**
Zone 10 - Strathroy	**	**	**	547	**	**	**	**
Zone 11 - Rest of CMA	N/U	N/U	**	**	**	**	N/U	N/U
<b>LONDON CMA</b>	440	458	566	586	705	736	900	934

N/U = No structures in the Universe.

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

Source: CMHC Market Analysis, October 2003 Rental Market Survey.