

F

AST FAX

Ottawa

RENTAL MARKET REPORT

Canada Mortgage and Housing Corporation

Vacancy rate higher in 2003

NOVEMBER 2003

According to results from Canada Mortgage and Housing Corporation's annual Rental Market Survey, the vacancy rate for the Ottawa Census Metropolitan Area (CMA) increased to 2.9 per cent in 2003, up a full percentage point from the vacancy rate recorded in 2002.

The CMHC survey found 1,744 vacant privately owned apartments in the Ottawa CMA, an increase of 50 per cent from the 1,162 vacant units listed as vacant in the October 2002 survey. In terms of supply, the 920 apartment rental starts recorded last year in Ottawa were offset by rental units being taken off the market due to conversions, resulting in a rental apartment universe slightly down at 60,045 units compared to 60,096 units in 2002.

The rising vacancy rate can be attributed to low borrowing rates that continued to make it attractive for potential homebuyers. As a result, many potential renters have left the rental market in favour of owning a home. Simultaneously, those tenants still in the rental market had an easier time finding rental accommodations in 2003 as vacancy rates for all bedroom types went up. The vacancy rate for two-bedroom apartments increased to 2.9 per cent in 2003, up from 1.5 per cent in 2002.

With rising vacancy rates, tenants are at a more competitive advantage when it comes to rents. In 2003, there was almost no change in average rents in Ottawa compared to last year. The average monthly rent for a two-bedroom apartment went up very slightly to \$932, an increase of \$2 dollars or less than one per cent compared to last year. This increase falls short of the rate of inflation. While bachelor, one- and two-bedroom units recorded little change in average rents from 2002, three or more bedroom apartment units recorded a gain of 3.5 per cent to \$1,168. This is the second year in a row that apartments with three or more units recorded a stronger increase in average rent than other bedroom types.

Almost all survey zones in Ottawa recorded an easing of vacancy rates from last year. The vacancy rate went up in Downtown to 3.3 per cent and 3.7 per cent in the Sandy Hill/Lowertown area. At the extreme ends of the city, Gloucester/Cumberland in the East recorded a slight increase to 1.3 per cent, while in Nepean/Kanata the vacancy rate bucked the trend and actually tightened. It fell to 2.7 per cent from the 3.6 per cent recorded in 2002.

Most of the CMAs in Ontario recorded increases in their vacancy rate for 2003. Therefore, Ottawa is on par with the rest of Ontario. The vacancy rate for the Toronto GTA grew to 3.8 per cent this year from 2.5 per cent in 2002. Meanwhile, Hull also recorded an increase in the vacancy rate, growing to 1.2 per cent but still a tighter market when compared to Ottawa.

CMHC Ottawa Office - Christian Douchant, Senior Market Analyst
Tel: (613) 748-5120

Rental Vacancy Rates	2002	2003
Bachelor	2.0	3.2
1 Bedroom	2.3	2.8
2 Bedroom	1.5	2.9
3 or more Bedrooms	1.6	3.4
Total	1.9	2.9

Average Rents	2002	2003
Bachelor	\$624	\$627
1 Bedroom	\$767	\$768
2 Bedroom	\$930	\$932
3 or more Bedrooms	\$1,129	\$1,168

Number of Units	Vacant	Total
Bachelor	170	5,354
1 Bedroom	786	27,686
2 Bedroom	700	24,352
3 or more Bedrooms	89	2,652
Total	1,744	60,045

Note: All data is for privately initiated rental apartment buildings with 3 units and over.



HOME TO CANADIANS
Canada

1. VACANCY RATES										
Rental Vacancy Rates by Zone and Bedroom Type, Ottawa CMA										
Area	Bachelor		One Bedroom		Two Bedroom		Three+ Bedroom		Total	
	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003
Zone 1 - Downtown	1.1	3.7	1.3	1.6	1.6	2.9	4.1	9.2	1.4	3.3
Zone 2 - Sandy Hill/Lowertown	1.6	4.6	2.1	3.9	0.5	3.6	1.4	1.0	1.5	3.7
Zone 3 - Glebe/Old Ottawa South	**	3.9	2.3	3.5	1.5	2.2	**	**	2.2	3.0
Zone 4 - Alta Vista/Hunt Club	3.0	3.2	2.9	1.7	1.2	3.6	0.8	1.7	2.1	2.6
Zone 5 - Carlington/Iris	0.6	2.1	2.0	2.2	1.2	2.0	0.1	4.4	1.5	2.2
Zone 6 - Chinatown/Hintinburg/Westboro North	1.4	2.3	1.9	4.4	0.9	4.1	2.4	4.6	1.6	4.0
Zone 7 - New Edinburgh/Manor Park/Overbrook	0.6	3.3	4.6	5.5	1.5	2.4	2.1	2.9	2.7	3.7
Zone 8 - Westboro South/Hampton Park/Britain	1.4	2.4	1.8	1.7	1.1	2.9	1.2	3.0	1.4	2.3
Zones 1-8 Former City of Ottawa	1.5	3.4	2.2	2.9	1.2	3.0	1.7	3.4	1.7	3.0
Zone 9 - Vanier	**	**	2.5	2.4	2.7	3.0	**	**	2.5	2.8
Zone 10 - Gloucester Cumberland	0.9	0.9	0.7	1.7	1.2	1.2	2.7	0.5	1.1	1.3
Zone 11 - Nepean/Kanata	23.5	0.8	4.1	2.2	2.8	3.1	2.0	2.2	3.6	2.7
Ottawa CMA	2.0	3.2	2.3	2.8	1.5	2.9	1.6	3.4	1.9	2.9

2. AVERAGE RENTS									
Average Rents by Zone and Bedroom Type, Ottawa CMA									
Area	Bachelor		One Bedroom		Two Bedroom		Three+ Bedroom		
	2002	2003	2002	2003	2002	2003	2002	2003	2003
Zone 1 - Downtown	\$646	\$638	\$829	\$820	\$1,082	\$1,117	\$1,322	\$1,256	
Zone 2 - Sandy Hill/Lowertown	\$642	\$650	\$826	\$844	\$1,056	\$1,099	\$1,272	\$1,390	
Zone 3 - Glebe/Old Ottawa South	**	649	\$797	\$826	\$1,010	\$1,036	**	**	
Zone 4 - Alta Vista/Hunt Club	\$610	\$627	\$753	\$755	\$914	\$916	\$1,142	\$1,202	
Zone 5 - Carlington/Iris	\$639	\$631	\$730	\$729	\$856	\$852	\$1,023	\$1,080	
Zone 6 - Chinatown/Hintinburg/Westboro North	\$572	\$570	\$708	\$713	\$881	\$898	\$1,329	\$1,361	
Zone 7 - New Edinburgh/Manor Park/Overbrook	\$612	\$615	\$800	\$787	\$978	\$956	\$1,062	\$1,149	
Zone 8 - Westboro South/Hampton Park/Britain	\$642	\$645	\$763	\$757	\$930	\$902	\$1,043	\$1,136	
Zones 1-8 Former City of Ottawa	\$628	\$629	\$776	\$777	\$953	\$958	\$1,171	\$1,224	
Zone 9 - Vanier	**	**	\$652	\$648	\$772	\$749	**	**	
Zone 10 - Gloucester Cumberland	\$624	\$639	\$770	\$756	\$908	\$896	\$1,065	\$1,076	
Zone 11 - Nepean/Kanata	\$696	\$676	\$758	\$755	\$911	\$920	\$1,025	\$1,006	
Ottawa CMA	\$624	\$627	\$767	\$768	\$930	\$932	\$1,129	\$1,168	

Zone 1: bounded by Queensway (south), Bronson (west), Ottawa River (north), Rideau Canal (east)

Zone 2: includes Sandy Hill, Lowertown, ByWard Market, Strathcona Heights

Zone 3: includes Ottawa East, Ottawa South, the Glebe, Chinatown, Little Italy, Hintonburg, Mechanicsville, Tunney's Pasture and Westboro north of Richmond Rd.

Zone 4: includes all neighbourhoods within the former City of Ottawa east of the Rideau River

Zone 5: includes Westboro south of Richmond Rd. and all former City of Ottawa neighbourhoods located west of Island Park, south of Carling Ave. and west of the Rideau River

Zone 6: the former City of Vanier

Zone 7: the former cities of Gloucester and Cumberland and the former Township of Osgoode

Zone 8: the former cities of Nepean and Kanata and the former Townships of Goulbourn, Rideau and West Carleton