



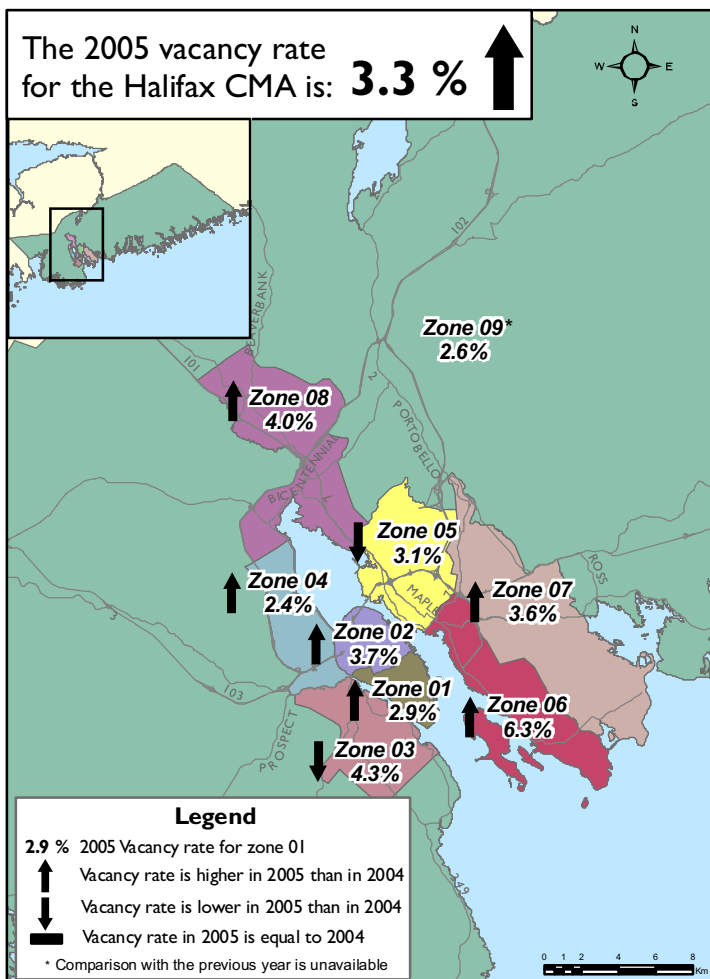
RENTAL MARKET REPORT

HALIFAX CMA

OCTOBER 2005

Softening Trend Continues In 2005

Rental market conditions in the Halifax Census Metropolitan Area continued to soften over the past year with the apartment vacancy rate rising to 3.3 per cent this year from 2.9 per cent last year and average two bedroom apartment rent rising only two per cent to \$762 from \$747. At the time of survey enumeration in early October, 1,226 apartments were vacant and several hundred more were occupied but available for lease because the current tenant had given notice to vacate.



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National Apartment Vacancy Rate Stabilizes

The average rental apartment vacancy rate in Canada's 28 major centres¹ was unchanged at 2.7 per cent in October 2005 compared to last year. This follows three consecutive increases in the vacancy rate over the 2002 to 2004 period. The vacancy rate remains below the average of 2.8 per cent observed over the 1995 to 2004 period.

Thanks to a solid economy and strong job creation, household formation has been healthy, which has promoted demand for both ownership and rental housing. The stabilizing of the vacancy rate across

the major centres reflects a number of factors. As the majority of new immigrants initially settle in rental housing, high levels of immigration have been a key driver of rental demand over the past year. Also, across most centres, more renters are remaining in rental units as the gap between the cost of home ownership and renting increased in 2005. These two factors have put downward pressure on vacancy rates over the past year.

On the other hand, home ownership demand remained very strong, which can be seen from the record level of existing home sales in 2005. Strong home ownership demand continues to apply upward pressure on vacancy rates. Adding to this is the high level of condominium completions in some centres. Condominiums are a relatively inexpensive form of housing that are often purchased by renter households switching to home ownership. In some cases, condos supplement the rental market as they may be purchased by investors who, in turn, rent them out. Therefore, high levels of condominium completions have created competition for the rental market and have put upward pressure on vacancy rates.

Even though the average rental apartment vacancy rate has moved higher in recent years, many households are still facing affordability issues across Canada. Either these households need to move to less expensive units or require additional help to make their monthly shelter costs more affordable. In some cases, however, there are not enough vacant units to meet the needs of all households in core housing need. Therefore,

additional affordable housing units continue to be required.

The centres with the highest vacancy rates in 2005 were Windsor (10.3 per cent), Saint John (NB) (5.7 per cent), Saskatoon (4.6 per cent), Thunder Bay (4.6 per cent), Edmonton (4.5 per cent), St. John's (NFLD) (4.5 per cent), and Saguenay (4.5 per cent). On the other hand, the major urban centres with the lowest vacancy rates were Victoria (0.5 per cent), Sherbrooke (1.2 per cent), Québec (1.4 per cent), Vancouver (1.4 per cent), Trois-Rivières (1.5 per cent), Calgary (1.6 per cent), and Greater Sudbury (1.6 per cent).

Average rents for two-bedroom apartments increased in 25 of the 28 major centres. However in 15 of the 25 major centres where rents were up, the increases were small. The greatest increases occurred in Kitchener, Victoria, and Quebec where rents were up 6.0 per cent, 4.8 per cent, and 4.2 per cent, respectively. Overall, the average rent for two-bedroom apartments across Canada's 28 major centres increased by 1.6 per cent in October 2005 compared to last year.

The highest average monthly rents for two-bedroom apartments were in Toronto (\$1,052), Vancouver (\$1,004), and Ottawa (\$920), while the lowest were in Trois-Rivières (\$474) and Saguenay (\$472).

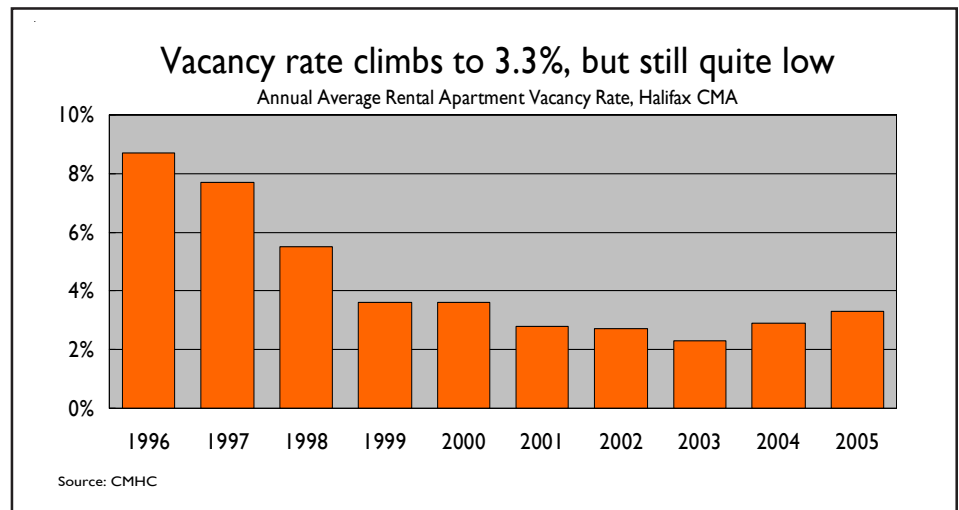
¹ Major centres are based on Statistics Canada Census Metropolitan Areas (CMA) with the exception of the Ottawa-Gatineau CMA which is treated as two centres for Rental Market Survey purposes.

| Apartment Vacancy Rates (%) by Major Centres | | |
|---|------------|------------|
| | 2004 | 2005 |
| Abbotsford | 2.8 | 3.8 |
| Calgary | 4.3 | 1.6 |
| Edmonton | 5.3 | 4.5 |
| Gatineau | 2.1 | 3.1 |
| Greater Sudbury | 2.6 | 1.6 |
| Halifax | 2.9 | 3.3 |
| Hamilton | 3.4 | 4.3 |
| Kingston | 2.4 | 2.4 |
| Kitchener | 3.5 | 3.3 |
| London | 3.7 | 4.2 |
| Montréal | 1.5 | 2.0 |
| Oshawa | 3.4 | 3.3 |
| Ottawa | 3.9 | 3.3 |
| Québec | 1.1 | 1.4 |
| Regina | 2.7 | 3.2 |
| Saguenay | 5.3 | 4.5 |
| Saint John | 5.8 | 5.7 |
| Saskatoon | 6.3 | 4.6 |
| Sherbrooke | 0.9 | 1.2 |
| St. Catharines-Niagara | 2.6 | 2.7 |
| St. John's | 3.1 | 4.5 |
| Thunder Bay | 5.0 | 4.6 |
| Toronto | 4.3 | 3.7 |
| Trois-Rivières | 1.2 | 1.5 |
| Vancouver | 1.3 | 1.4 |
| Victoria | 0.6 | 0.5 |
| Windsor | 8.8 | 10.3 |
| Winnipeg | 1.1 | 1.7 |
| Total | 2.7 | 2.7 |

Weakening Demand Causes Higher Vacancy Rate and Tepid Rent Growth

Rental market conditions softened in Metro Halifax over the past year as growth in rental market demand slumped to a greater extent than the contraction in new supply. Considerable weakening in the local labour market has reduced the influx of young households moving into apartments while declining long-term mortgage rates have resulted in a greater outflow of tenants to home ownership. However, fewer new apartments were completed last year and this moderated the increase in vacant and available units.

Attractive homeownership conditions drained more households from tenancy over the past 12 months. Very strong overall full-time employment and income growth in 2004 manifested itself in a homeownership demand rally this year and this rally was further stimulated by an unexpected decline in long-term mortgage rates. The five year fixed term mortgage rate is the most popular term with first-time homebuyers and this rate actually declined by three-quarters of a percentage point over the past year, encouraging more renter households to buy a home. Potential homebuyers were also enabled by a shift in resale market conditions.

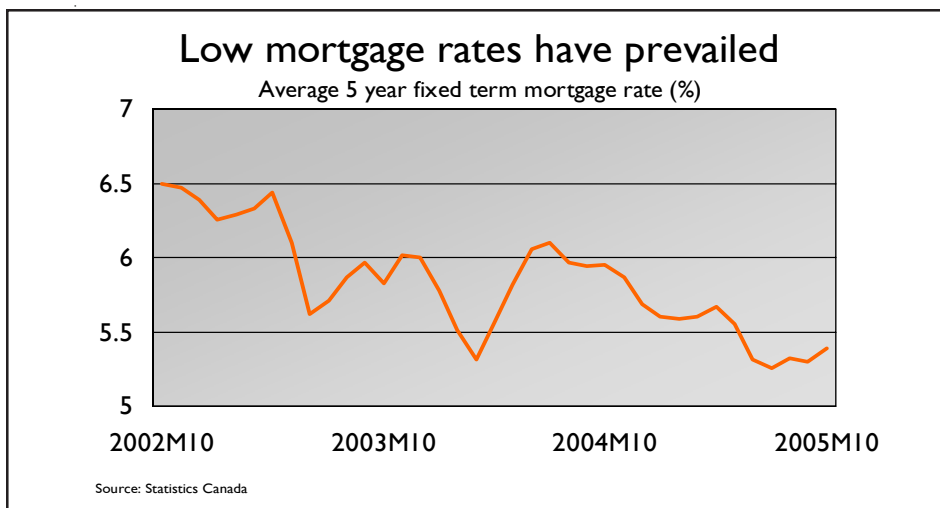


Over the past twelve months, the resale market has gradually shifted to balanced condition from seller's market conditions which prevailed in the preceding three year period between 2002 and 2004.

The most instrumental factor in this shift in resale market condition has been an impressive expansion in the inventory of homes for sale. On average a potential homebuyer has had over 700 more homes from which to choose this year than was the case last year, representing a 40 per cent increase in inventory. While this inventory included a large amount of 'move-up' calibre homes, it also included more modestly-priced product including expanded

offerings of low-priced condominiums and townhouses, particularly in Dartmouth. This enabled much of the flurry in first-time homeownership demand to be realized and increased the flow of ownership-minded tenants exiting their apartments. This explains why vacancy rates increased by almost a percentage point among apartments with rents over \$850 per month- which are units that are most likely to be occupied by households with the financial means to consider a move to home ownership under the right conditions.

At the typical entry point of the rental demand spectrum, surprisingly weak local labour market conditions for young people reduced the growth in household formation in this all important rental demand segment. Between 2002 and 2004 more than 4,500 jobs were created for young people as overall labour market conditions tightened considerably. However, through the first nine months of this year, the local economy has actually shed over 600 jobs for people in the 15-24 age group. While this age group is not perfectly correlated to the 18 to 30 year age range that has the highest



Youth job losses erode rental demand



Source: Statistics Canada Labour Force Survey

propensity to rent, it is still a good indicator of labour market conditions for young households.

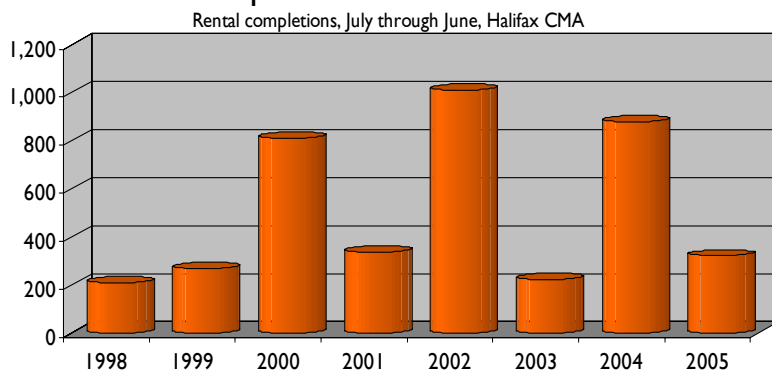
Under these sagging conditions, fewer young people have secured the financial independence required to move out of the family home and lease an apartment. In addition, conditions have been anything but magnetic for young people thinking of migrating to Metro Halifax from other areas. Halifax traditionally draws two types of young renters: would-be students from predominantly Atlantic Canada, Ontario and increasingly from abroad to study at one of the local universities; and, young graduates and labourers from across Atlantic Canada attracted to the relatively expanded menu of employment options in the region's largest city.

Conversely, when young labour force participants leave Metro, they often leave for the traditionally more fertile labour markets in Ontario, Alberta and British Columbia. Newfoundland has traditionally provided a significant source of young job-seeking migrants to Halifax, but this flow has slowed to a trickle in recent years as the offshore energy sector has fuelled stronger growth in the St. John's labour market, keeping more young people at home. Simultaneously, red hot labour markets in oil-rich Alberta and a British Columbia preparing for the 2010 Winter Olympics has probably been irresistible to a growing number of young Haligonian renters over the past year.

As a result, rental demand from young workers has ebbed considerably this year. In addition, local universities are reporting stagnating enrolments after the wave produced by Ontario's double cohort in 2003 and 2004. This has undoubtedly been a contributing factor to the considerable weakening in rental market conditions on the Halifax Peninsula over the past year. Vacancy rates in Peninsula South and Peninsula North have risen by an average of 1.7 percentage points over the past year, the highest increase among all of Metro's nine submarkets.

The rate of completion of new rental units has slowed considerably over the past year and given the aforementioned weakening in demand, this has limited the increase in the total number of vacant apartments across the city. Rental housing starts dropped 41 per cent in 2004 from 2003 and as a result, rental completions dropped accordingly over the past year. For an apartment to have a chance of being included in CMHC's annual Rental Market Survey, it must be completed before July 1st in that survey year so that a 3 month period is provided to reach an acceptable absorption level before the survey is conducted in early October. Between July 1st 2004 and June 30th, 2005, only 320 new apartments were completed, down from 877 in the preceding 12 month period. This modest addition to the existing rental stock has likely kept the vacancy rate from rising by an even greater extent than what actually occurred this year.

Fewer new apartments added to rental stock



Source: CMHC

Weakening rental demand has suppressed rent growth, with the benchmark two bedroom average monthly rent rising only 2.0 per cent to \$762 this October from \$747 in October 2004. This rate of increase is below the almost four

per cent local rate of inflation over that period and is also well below the 7 per cent increase in average house price during this period as well. Clearly, softening rental market conditions have capped growth in rents making it more difficult for landlords to pass through to their tenants rising operating costs such as property taxes, management and advertising fees, and heating costs. When combined, one bedroom and two bedroom apartments comprise 85 per cent of the total Metro Halifax universe of 37,302 rental apartments (in buildings with at least three units). Consequently, the 2.3 per cent rise in average rent for one bedroom apartments and the 2.0 per cent increase in two bedroom apartments this year have been sufficient to offset the slight decline in average rent for bachelor apartments and the more substantial decline of 6.7 per cent among apartments with three or more bedrooms.

Vacancy rates climbed by the greatest extent over the past year in the largest rental buildings. Among those rental structures with 100 or more apartments, the vacancy rate rose to 3.0 per cent this year from only 1.3 per cent in 2004. Undoubtedly, this contributed to the decline in average one and two bedroom rents in these large buildings. This is noteworthy because one and two bedroom rents increased to varying degrees in all other structure sizes. Nevertheless, vacancy rates remain lower in buildings with 50 or more units than in buildings with less than 50 apartments and rents are generally higher in larger buildings than in smaller ones. To some extent, this characteristic likely reflects the fact that these larger buildings are located in areas with relatively low vacancy and high rent such as the Halifax Peninsula and Clayton Park.

Analysis of the survey data also reveals some interesting findings for the age of structures. Climbing vacancy rates were more prevalent among older buildings and newer apartments not only boasted lower vacancy rates than older ones, but also showed an actual decline in vacancy for buildings completed in the past five years. What makes this finding particularly interesting is that in buildings less than five years old average rents fell across all bedroom types over the past year. However, despite this decline, monthly rents in these new buildings remain approximately 30 per cent above the average market rent. Obviously, this represents the premium that tenants are willing to pay for the features and benefits offered in new buildings, many of which offer high quality finishes, spacious units, underground parking and heat included in rent (an attractive option at the moment).

Finally, a review of current vacancy rates and vacancy rate changes over the past year by rent level also provides further insight into trends in the Metro Halifax rental market. Vacancy rates increased by almost one percentage point among apartments renting for more than \$850 per month. Since vacancy rates actually declined for newer buildings (which typically have higher rents as shown above), this suggests that this is a location-driven phenomenon that may be related to the slackening in market conditions on the Halifax Peninsula where close proximity to the universities and central business district command relatively high rents. Vacancy rates for apartments in the \$500 to \$750 range fell slightly over the past year, indicating that demand remained fairly stable for relatively inexpensive apartments. Again, location may have played a role in this trend since vacancy rates declined in Mainland

South and Dartmouth North where there is a relatively large share of inexpensive apartments.

Perhaps the most interesting finding is the jump in vacancy rate from 1.8 per cent to 4.6 per cent over the past year among apartments in the \$750 to \$850 per month range. While some of this increase in vacancy can probably be attributed to loss of tenants to first-time homeownership, an \$800 per month mortgage payment does not secure sufficient principal to buy anything but the most modest of dwellings in Metro, exclusive of property taxes, heat or condo fees. Accordingly, it is likely that most of the increase in vacancy rate in this rent range was due to movement of upwardly mobile tenants to more expensive apartments or more price-sensitive tenants moving to less expensive units perhaps in response to rent increases.

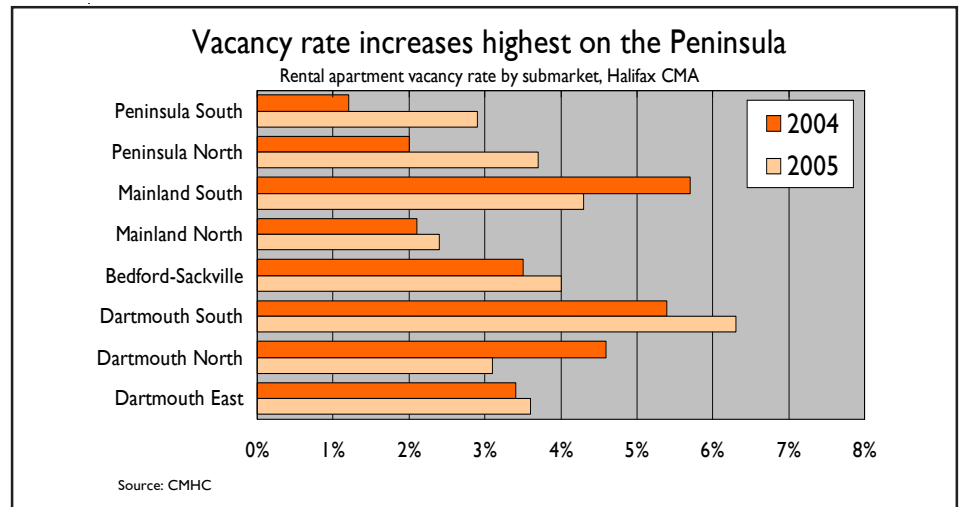
Submarket Report

Softening rental market conditions were generally quite widespread across Metro Halifax in 2005 with higher vacancy rates posted in six of nine zones and growth in rents below the local rate of inflation in all but three areas.

Peninsula South

For the first time, Peninsula South no longer holds the distinction of having the lowest apartment vacancy rate among Metro's submarkets, but it maintains the highest rents. The vacancy rate bounded to 2.9 per cent this year from 1.2 per cent last year and vacancies increased in buildings of all sizes. Home to several of Metro's universities, stagnant enrolments have reduced a key demand stimulus in this area. In addition, as offshore energy exploration weakens, more temporary workers in this industry have left Metro. Many of these people were renters in Peninsula South. Average one and two bedroom apartment rents increased by approximately two per cent with the latter rising to \$1,071 per month. While bachelor unit average rents slipped slightly, average rent for apartments with three or more bedrooms plummeted by almost \$200 per month to \$1,376 from \$1,566 last year.

On the supply side, university residence construction at Dalhousie and conversion of older homes to student housing have added significant rental capacity in this zone. Furthermore, new rental projects such as Garden Crest apartments, Hillside Apartments and Chapter House have added more than 150 apartments to the rental stock. However, conversion of 151 rental apartments to condominiums at Bishop's Landing equalized these



additions. As for sale activity, Spring Garden Terrace traded hands in 2005 with Killam Properties purchasing the 201 unit building on Spring Garden Road.

Peninsula North

Average apartment vacancy rate increased in Peninsula North by a wider margin than any other zone, matching Peninsula South with a 1.7 percentage point rise. The vacancy rate increased to 3.7 per cent this year from 2.0 per cent last year with a sharp jump in vacancy in buildings with more than 100 apartments offsetting a decline in vacancy in buildings of all other sizes. Average apartment rents climbed modestly with two bedroom apartment rent edging up by 1.8 per cent to \$789 per month. Without question, the purchase of 520 unit Causeway Bay by TransGlobe in November was a key development in this zone in 2005, not to mention 198 units at Quinpool Court trading to Killam Properties earlier in the year.

Mainland South

Bucking the Metro trend, apartment vacancy rates in Mainland South dipped to 4.3 per cent this year

from 5.7 per cent last year. In this zone the vacancy rate in buildings with 50 to 99 units is very low compared with vacancy rates in smaller structures in Mainland South. While average one bedroom rent climbed 3.6 per cent in 2005, average two bedroom rent remained virtually unchanged at \$646 per month. To some extent, the relatively strong vacancy performance in Mainland South may be due to the likelihood that many renters in this zone are not considered to be at risk of moving into homeownership.

Mainland North

Metro's largest rental zone now holds the distinction of having the lowest apartment vacancy rate in Metro at 2.4 per cent, up only slightly from 2.1 per cent last year. Vacancy rates increased slightly for one, two and three bedroom units, but each remains below the 3 per cent mark, with one bedroom units setting the lowest vacancy rate in this zone at 1.8 per cent. Vacancy rates declined slightly in buildings with more than 50 apartments over the past year and these relatively large buildings also have lower vacancy rates than smaller structures in Mainland North. With a

large proportion of relatively new and relatively large units in an area with a full range of commercial and recreational amenities, this area of the city is considered by many to offer excellent value to renters, particularly considering the relatively low rents compared with apartments on the Peninsula. Average rents increased in 2005 for apartments of all bedroom types except those with three or more bedrooms. One bedroom apartment rent increased 2.5 per cent to \$612 per month while average two bedroom apartment rent increased 2.0 per cent to \$765 per month. Several projects in Mainland North traded hands in 2005 with Killam Properties acquiring approximately 300 units. In addition, there was also some conversion of rental stock to condo product just off Main Avenue. Although Clayton Park West is approaching full build-out, new rental development continues in a concentrated area around Greenpark Close and to a lesser extent in the Bedford South area.

Dartmouth North

The decline in Dartmouth North's apartment vacancy rate over the past year was greater than in any other zone, falling to 3.1 per cent this year from 4.6 per cent last year. This puts the current vacancy

condition in Dartmouth North very close to that in Peninsula South (2.9%). Average rent growth was above average in Dartmouth North this year with one bedroom apartment monthly rents rising 2.8 per cent and two bedroom rents rising an impressive 4.6 per cent. In part, higher rents may be attributable to the renovation of a large number of units in this zone including many of the 700 apartments recently purchased by TransGlobe from Bell Enterprises. Much like Mainland South, the relatively fine performance of the Dartmouth North rental submarket this year is likely due in part to the fact that many tenants in this area are not at risk of moving into home ownership even with historically low mortgage rates.

Dartmouth South

The vacancy rate in Dartmouth South increased to 6.3 per cent this year from 5.4 per cent in 2004. This rate is the highest among all of the zones. Average rent growth was moderate with one bedroom apartment rents rising just over 4 per cent and two bedroom rents rising just over 2 per cent to \$624 per month from \$611 last year. Without question the main story in this zone in 2005 was the purchase of the Maplehurst portfolio which includes 522 apartments in this

zone, accounting for 23 per cent of the entire rental apartment universe in Dartmouth South.

Dartmouth East

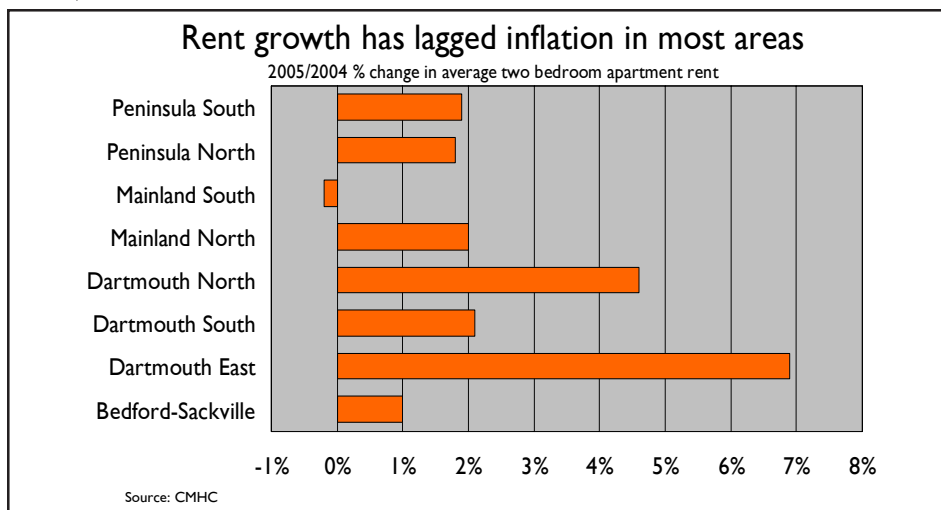
While little changed in the vacancy situation in Dartmouth East in 2005, this was not the case with rents. The vacancy rate in this zone increased by a mere 0.2 percentage points to 3.6 per cent from 3.4 per cent. However, average rent growth accelerated faster than in any other part of the city. One bedroom average rent increased 5.2 per cent while average two bedroom apartment rent increased almost seven per cent to \$665 per month in 2005 from \$622 last year. It may be that the strong rent growth in Dartmouth East this year is indirectly related to the rapid pace of new development in this area that has also lifted average house values. While this zone remains one of the smallest in Metro, it is poised for significant growth as Russell Lake West gets underway.

Bedford & Sackville

Rental market conditions in Bedford & Sackville eased in 2005 with a slight rise in vacancy and only modest growth in rents. The vacancy rate in this zone crept up to 4.0 per cent this year from 3.5 per cent last year while average two bedroom apartment rent edged up 1.0 per cent to \$730 per month from \$723 last year.

Remainder of Metro (outlying areas)

Outlying areas of Metro posted a rental vacancy rate of 2.6 per cent in the 2005 with the two bedroom apartment average rent of \$651 per month, up 3.5 per cent from last year.



Availability Report

Availability rates increased only slightly in 2005 with the total average apartment availability rate edging up to 4.1 per cent from 3.9 per cent in 2004. Overall, availability rates across Metro remain generally within about one percentage point of the corresponding vacancy rate in a particular zone and where vacancy rates are lower so are availability rates. However, the 0.2 percentage point increase in availability rate over the past year is proportionally smaller than the 0.4 percentage point increase in vacancy rate. With virtually no historical data for analytical purposes, it is difficult to

determine what, if anything, this narrowing spread might mean. One possible explanation for this may relate to the quality and desirability of the apartments that are turning over. That is, lower quality units that are less attractive to potential tenants may be remaining vacant while more attractive units are being leased by new tenants before the current tenant's notice expires so that the apartment does not become vacant. This may contribute to the explanation for the jump in vacancy rate for apartments in the \$750 to \$849 per month range and the decline in vacancy in buildings

less than five years old. It may be the case that while tenants left newer buildings to move into home ownership, these units were quickly leased by other renters who were 'moving-up' to better quality apartments.

As is the case with vacancy on the Halifax Peninsula, availability rates also increased approximately two percentage points in 2005 in this area of Metro. As a result, it's been much easier for apartment seekers to find a unit on the Peninsula than has been true over the past decade.

2006 Rental Market Outlook

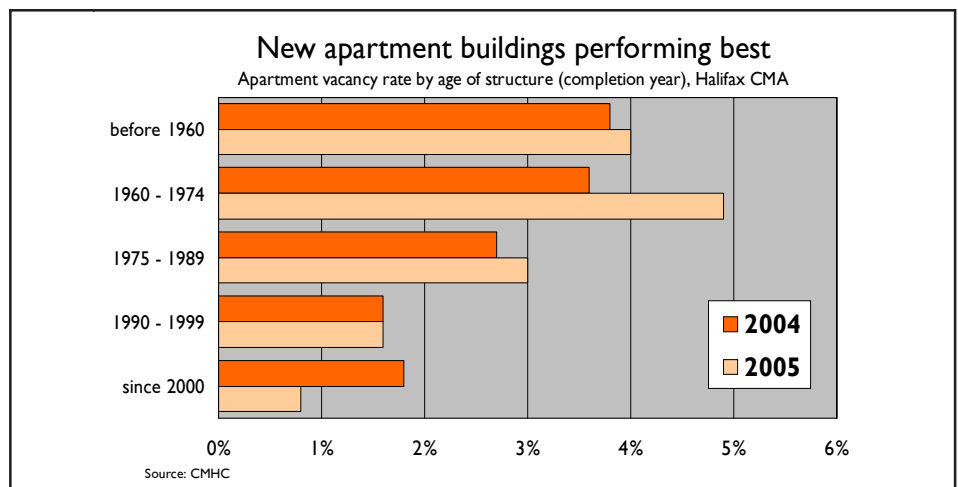
Expect the Metro Halifax rental vacancy rate to continue to creep upward over the next year rising to 3.6 per cent. Despite further easing in rental market conditions, the growth in rent is forecast to accelerate to 4 per cent next year from this year's tepid rise. Youth employment conditions are not expected to improve over the next year, constraining a critical source of rental demand as fewer young people form their own households and net migration shrinks among the younger age groups. In addition, the flow of renters becoming homeowners is expected to remain fairly brisk over the next year. While five year mortgage rates are forecast to rise, they will remain very low by historical standards. In addition, further expansion in the inventory of homes listed for sale is anticipated, providing expanding options to potential first-time homebuyers. In short, there is little to suggest that those factors that led to sagging demand for rental apartments this

year will turn around significantly in 2006.

A strong rebound in growth in new rental supply is forecast to occur in 2006. Between July 1st and the end of October of this year 174 rental units reached completion. Of the 783 rental apartments under construction as of November 2005, approximately 398 are forecast to complete construction and be added to the rental stock before July 1st,

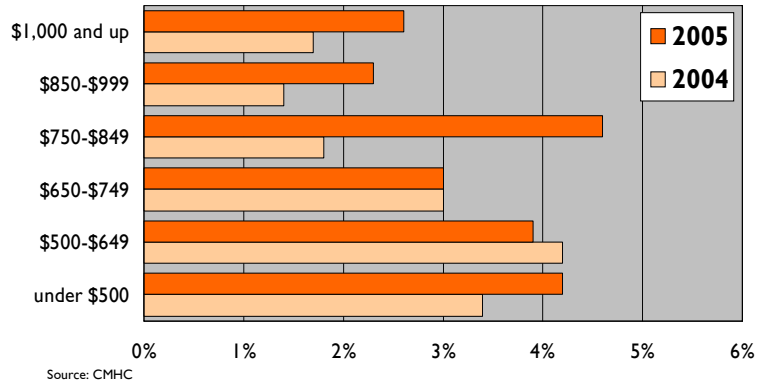
2006 and the remaining 385 will likely reach completion in the second half of next year. Of these, 345 will be on the Halifax Peninsula, 220 in Mainland North and 218 in Dartmouth.

Average rent is expected to rise faster than inflation as landlords attempt to pass through to their tenants higher operating costs. Property tax assessments will rise again next year, heating costs are



Vacancy rate jumps in the \$750-\$849 range

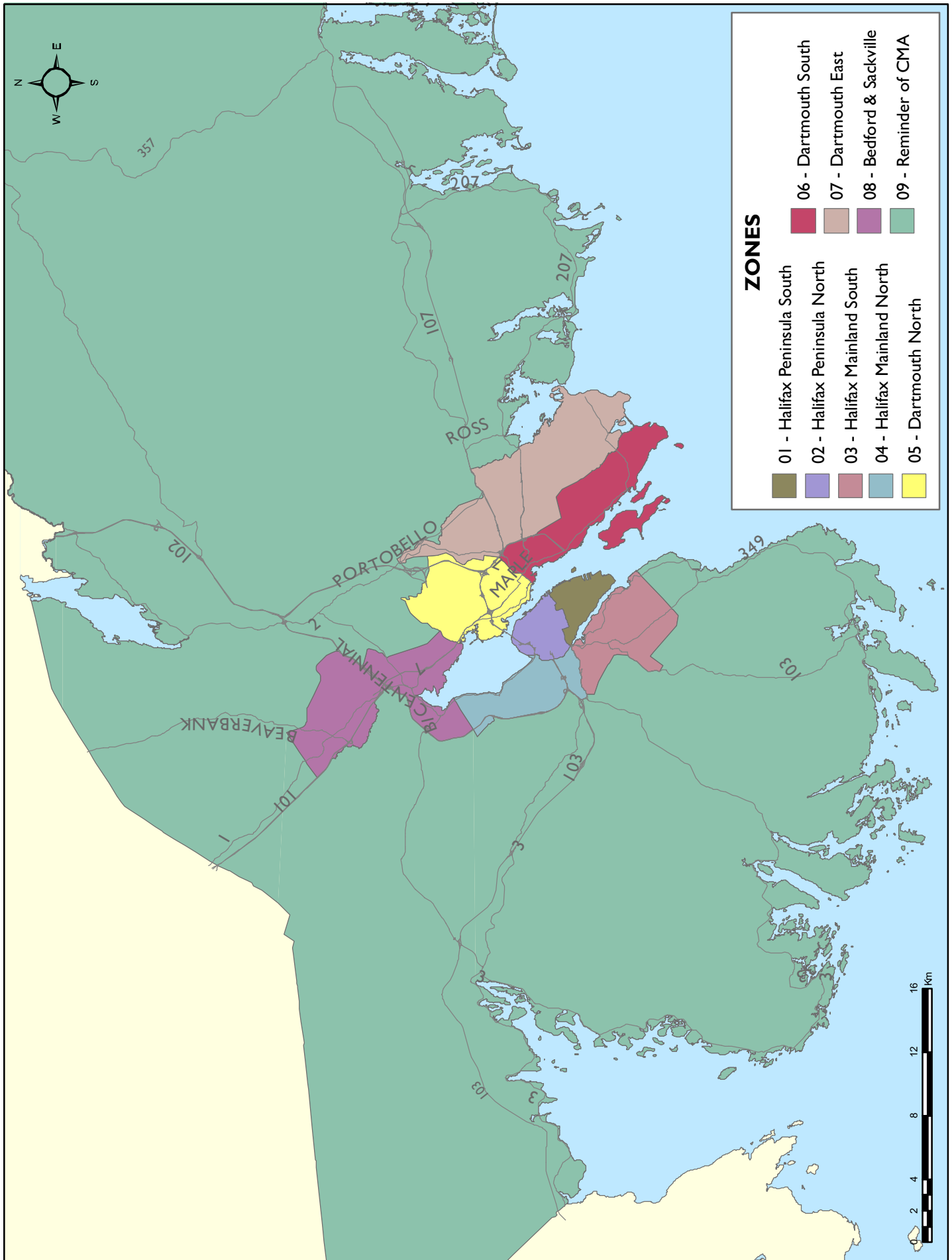
Rental apartment vacancy rate by monthly rent range, Halifax CMA



forecast to remain high and in a softening market increased spending on advertising may be necessary to attract tenants. Accordingly, landlords will feel pressure to pass these costs through to tenants, particularly since this did not occur to any significant extent this year.

The pace of construction of new rental units is expected to remain quite strong over the next year with an estimated 655 rental apartments expected to see footings poured in 2006 plus an additional 210 apartments that are anticipated to begin construction in November and December of 2005. Of these, almost half will be started on the Halifax Peninsula, about 30 per cent in Mainland North, and the remainder in Dartmouth, predominantly in the Russell Lake West area. In addition to this steady increase in supply of rental units, condominium

construction is also expected to continue at a heady pace, particularly on the Halifax Peninsula. Since much of this addition to the apartment stock (ownership and rental tenure) is of comparable quality, there will be a growing overlap in the target market for the two competing types of product. This will pose a challenge to rental developers and owners of existing rental property in areas such as the Halifax Peninsula, and Clayton Park and contribute to the expected easing in rental market conditions in 2006. Beyond 2006, rental market conditions are forecast to tighten as household formation growth accelerates, the trend toward smaller household size continues at a steady pace, and home ownership affordability conditions deteriorate due to rising mortgage rates.



ZONE DESCRIPTIONS - HALIFAX CMA

| | |
|------------------|--|
| Zone 1 | Halifax Peninsula South begins at Cornwallis Street, then along Cunard to Robie Street. From Robie the boundary runs south to Quinpool Road; along Quinpool to Connaught Avenue; north on Connaught to Chebucto Road to the North West Arm. |
| Zone 2 | Halifax Peninsula North is the northern section of the Halifax Peninsula, separated from the mainland by Dutch Village Road and Joseph Howe Avenue. |
| Zone 3 | Halifax Mainland South is the mainland area within the city of Halifax south of St. Margaret's Bay Road. |
| Zone 4 | Halifax Mainland North is the mainland area within the city of Halifax boundaries north of St. Margaret's Bay Road. |
| Zones 1-4 | City of Halifax |
| Zone 5 | Dartmouth North is the part of Dartmouth north of Ochterloney Street, Lake Banook and Micmac Lake. |
| Zone 6 | Dartmouth South is south of Ochterloney Street and Lake Banook and west of (outside) the Circumferential Highway, including Woodside as far as CFB Shearwater. |
| Zone 7 | Dartmouth East is the area bounded by Micmac Lake and Lake Charles to the west, Highway 111, Halifax Harbour to Hartlen Point to the south, Cow Bay and Cole Harbour to the east and Ross Road, Lake Major Road, Lake Major and Spider Lake to the north. |
| Zones 5-7 | City of Dartmouth |
| Zone 8 | Bedford and Sackville is the area bounded by Highway 102, the Sackville River and Webber Lake to the west, the Beaverbank-Windsor Junction Crossroad to the north, the No. 7 Highway and Akerley Boulevard to the east and a straight line connecting Kearney Lake with Fernleigh Subdivision to the south. |
| Zone 9 | Remainder of CMA is the remaining portion of HRM east of Ross Road and Lake Major Road, north of Wilson Lake Drive and Beaverbank-Windsor Junction Crossroad, west of Kearney Lake and Birch Cove Lakes and south of Long Lake and the community of Herring Cove. |
| Zones 8-9 | Surrounding Areas |
| Zones 1-9 | Halifax CMA |

Zone Realignment and Census Tract Revision

For a number of centres, the zones were realigned to better match existing neighbourhoods (see zone descriptions) and, in some cases, the zones were renumbered. At the same time, the census tracts, which make up the zones, were revised to make them correspond to the 2001 census boundaries (as determined by Statistics Canada). The result of these two actions is the following: the universe size, the vacancy rate and the average rent reported for year 2004 in the 2004 rental market publications may be different from the year 2004 numbers reported in the 2005 reports.

Rental Market Report Tables

Available in ALL Rental Market Reports

Private Apartment Data:

- 1.1.1 Vacancy Rates (%) by Zone and Bedroom Type
- 1.1.2 Average Rents (\$) by Zone and Bedroom Type
- 1.1.3 Number of Units - Vacant and Universe by Zone and Bedroom Type
- 1.1.4 Availability Rates (%) by Zone and Bedroom Type
- 1.2.1 Vacancy Rates (%) by Year of Construction and Bedroom Type
- 1.2.2 Average Rents (\$) by Year of Construction and Bedroom Type
- 1.3.1 Vacancy Rates (%) by Structure Size and Bedroom Type
- 1.3.2 Average Rents (\$) by Structure Size and Bedroom Type
- 1.4 Vacancy Rates (%) by Rent Range and Bedroom Type

Available in SELECTED Rental Market Reports

Private Apartment Data:

- 1.3.3 Vacancy Rates (%) by structure Size and Zone

Private Row (Townhouse) Data:

- 2.1.1 Vacancy Rates (%) by Zone and Bedroom Type
- 2.1.2 Average Rents (\$) by Zone and Bedroom Type
- 2.1.3 Number of Units - Vacant and Universe by Zone and Bedroom Type
- 2.1.4 Availability Rates (%) by Zone and Bedroom Type

Private Apartment and Row (Townhouse) Data:

- 3.1.1 Vacancy Rates (%) by Zone and Bedroom Type
- 3.1.2 Average Rents (\$) by Zone and Bedroom Type
- 3.1.3 Number of Units - Vacant and Universe by Zone and Bedroom Type
- 3.1.4 Availability Rates (%) by Zone and Bedroom Type

**I.1.1 Private Apartment Vacancy Rates (%)
by Zone and Bedroom Type
Halifax CMA**

| Zone | Bachelor | | 1 Bedroom | | 2 Bedroom | | 3 Bedroom + | | Total | |
|-------------------------------|------------|------------|------------|------------|------------|------------|-------------|------------|------------|------------|
| | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 |
| Peninsula South | 3.2 | 1.8 | 0.6 | 3.1 | 0.7 | 3.1 | 1.7 | 3.1 | 1.2 | 2.9 |
| Peninsula North | 2.2 | 3.7 | 1.5 | 2.2 | 2.0 | 4.9 | 3.7 | 2.7 | 2.0 | 3.7 |
| Mainland South | ** | ** | 3.2 | 2.8 | 7.4 | 5.2 | ** | ** | 5.7 | 4.3 |
| Mainland North | 1.6 | 0.7 | 1.4 | 1.8 | 2.4 | 2.7 | 2.6 | 2.8 | 2.1 | 2.4 |
| City of Halifax (Zones 1-4) | 2.8 | 2.0 | 1.3 | 2.5 | 2.5 | 3.6 | 3.1 | 3.2 | 2.1 | 3.0 |
| Dartmouth North | 7.5 | 7.8 | 3.9 | 3.2 | 5.1 | 2.7 | ** | 1.4 | 4.6 | 3.1 |
| Dartmouth South | ** | 12.3 | 3.5 | 4.5 | 7.5 | 7.4 | 3.4 | 6.8 | 5.4 | 6.3 |
| Dartmouth East | 0.0 | 0.0 | 2.6 | 5.2 | 3.5 | 3.0 | 5.7 | 4.9 | 3.4 | 3.6 |
| City of Dartmouth (Zones 5-7) | 6.9 | 7.9 | 3.7 | 3.6 | 5.3 | 3.8 | 3.5 | 4.6 | 4.6 | 3.9 |
| Bedford & Sackville | ** | ** | 1.3 | 2.6 | 4.2 | 4.4 | 3.9 | 4.4 | 3.5 | 4.0 |
| Remainder of Metro | n/u | n/u | ** | ** | 5.3 | 3.0 | ** | ** | ** | 2.6 |
| Halifax CMA | 3.4 | 2.8 | 2.0 | 2.8 | 3.4 | 3.7 | 3.2 | 3.6 | 2.9 | 3.3 |

**I.1.2 Private Apartment Average Rents (\$)
by Zone and Bedroom Type
Halifax CMA**

| Zone | Bachelor | | 1 Bedroom | | 2 Bedroom | | 3 Bedroom + | |
|-------------------------------|------------|------------|------------|------------|------------|------------|--------------|------------|
| | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 |
| Peninsula South | 604 | 595 | 755 | 770 | 1,051 | 1,071 | 1,566 | 1,376 |
| Peninsula North | 510 | 517 | 612 | 625 | 775 | 789 | ** | 976 |
| Mainland South | ** | ** | 470 | 487 | 647 | 646 | ** | ** |
| Mainland North | 537 | 545 | 597 | 612 | 750 | 765 | 956 | 951 |
| City of Halifax (Zones 1-4) | 574 | 568 | 646 | 661 | 801 | 809 | 1,104 | 1,023 |
| Dartmouth North | 495 | 470 | 531 | 546 | 648 | 678 | ** | ** |
| Dartmouth South | ** | 447 | 539 | 561 | 611 | 624 | 703 | 715 |
| Dartmouth East | ** | 427 | 517 | 544 | 622 | 665 | ** | 687 |
| City of Dartmouth (Zones 5-7) | 483 | 463 | 532 | 549 | 636 | 663 | 698 | 705 |
| Bedford & Sackville | ** | ** | 579 | 604 | 723 | 730 | 906 | 897 |
| Remainder of Metro | n/u | n/u | ** | ** | 629 | 651 | ** | ** |
| Halifax CMA | 560 | 552 | 612 | 626 | 747 | 762 | 1,014 | 946 |

**I.1.3 Number of Private Apartment Units Vacant and Universe in October 2005
by Zone and Bedroom Type
Halifax CMA**

| Zone | Bachelor | | 1 Bedroom | | 2 Bedroom | | 3 Bedroom + | | Total | |
|-------------------------------|-----------|--------------|------------|---------------|------------|---------------|-------------|--------------|--------------|---------------|
| | Vacant | Total | Vacant | Total | Vacant | Total | Vacant | Total | Vacant | Total |
| Peninsula South | 25 | 1,417 | 116 | 3,709 | 62 | 2,003 | 14 | 455 | 218 | 7,583 |
| Peninsula North | 17 | 468 | 40 | 1,839 | 127 | 2,580 | 10 | 390 | 195 | 5,277 |
| Mainland South | ** | ** | 28 | 1,011 | 73 | 1,394 | ** | ** | 115 | 2,649 |
| Mainland North | 2 | 306 | 54 | 3,025 | 149 | 5,476 | 28 | 999 | 233 | 9,806 |
| City of Halifax (Zones 1-4) | 45 | 2,226 | 238 | 9,584 | 412 | 11,453 | 66 | 2,052 | 760 | 25,315 |
| Dartmouth North | 19 | 238 | 94 | 2,938 | 71 | 2,677 | 3 | 193 | 187 | 6,046 |
| Dartmouth South | 7 | 57 | 41 | 906 | 77 | 1,044 | 19 | 274 | 143 | 2,281 |
| Dartmouth East | 0 | 29 | 15 | 290 | 25 | 852 | 6 | 123 | 46 | 1,294 |
| City of Dartmouth (Zones 5-7) | 26 | 324 | 150 | 4,134 | 173 | 4,573 | 27 | 590 | 376 | 9,621 |
| Bedford & Sackville | ** | ** | 11 | 421 | 59 | 1,326 | 10 | 227 | 81 | 2,028 |
| Remainder of Metro | n/u | n/u | ** | ** | 8 | 258 | ** | ** | 9 | 338 |
| Halifax CMA | 73 | 2,605 | 399 | 14,217 | 652 | 17,609 | 103 | 2,870 | 1,226 | 37,302 |

** : Data suppressed to protect confidentiality or because data is not statistically reliable

n/u : No units exist in the universe for this category

n/s : No units exist in the sample for this category

n/a : Not applicable

**1.1.4 Private Apartment Availability Rates (%)
by Zone and Bedroom Type
Halifax CMA**

| Zone | Bachelor | | 1 Bedroom | | 2 Bedroom | | 3 Bedroom + | | Total | |
|-------------------------------|------------|------------|------------|------------|------------|------------|-------------|------------|------------|------------|
| | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 |
| Peninsula South | 4.4 | 2.9 | 1.3 | 4.3 | 1.1 | 3.6 | 3.8 | 3.3 | 2.0 | 3.8 |
| Peninsula North | 2.6 | 4.6 | 2.5 | 2.9 | 2.6 | 5.3 | 3.7 | 3.4 | 2.7 | 4.3 |
| Mainland South | ** | ** | 4.5 | 3.2 | 8.4 | 5.4 | ** | ** | 6.8 | 4.7 |
| Mainland North | 1.6 | 1.0 | 2.1 | 2.1 | 3.7 | 3.7 | 4.1 | 4.9 | 3.2 | 3.3 |
| City of Halifax (Zones 1-4) | 3.7 | 3.0 | 2.2 | 3.2 | 3.5 | 4.3 | 4.3 | 4.5 | 3.1 | 3.8 |
| Dartmouth North | 8.6 | 7.8 | 4.5 | 4.3 | 6.1 | 3.4 | ** | 1.4 | 5.4 | 4.0 |
| Dartmouth South | ** | 14.0 | 4.8 | 5.6 | 9.3 | 9.1 | 6.0 | 7.9 | 7.1 | 7.7 |
| Dartmouth East | 0.0 | 0.0 | 2.6 | 5.2 | 4.1 | 3.2 | 9.4 | 5.8 | 4.2 | 3.8 |
| City of Dartmouth (Zones 5-7) | 7.8 | 8.2 | 4.4 | 4.6 | 6.4 | 4.7 | 5.8 | 5.3 | 5.6 | 4.8 |
| Bedford & Sackville | ** | ** | 3.2 | 2.6 | 5.4 | 4.6 | 9.3 | 4.4 | 5.3 | 4.1 |
| Remainder of Metro | n/u | n/u | ** | ** | 5.3 | 3.4 | ** | ** | ** | 2.9 |
| Halifax CMA | 4.2 | 3.6 | 2.8 | 3.6 | 4.4 | 4.4 | 4.9 | 4.7 | 3.9 | 4.1 |

**1.2.1 Private Apartment Vacancy Rates (%)
by Year of Construction and Bedroom Type
Halifax CMA**

| Year of Construction | Bachelor | | 1 Bedroom | | 2 Bedroom | | 3 Bedroom + | | Total | |
|----------------------|----------|------|-----------|------|-----------|------|-------------|------|-------|------|
| | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 |
| Halifax CMA | | | | | | | | | | |
| Pre 1960 | 8.0 | 5.4 | 1.4 | 4.8 | 5.0 | 3.3 | 2.2 | 2.8 | 3.8 | 4.0 |
| 1960 - 1974 | 4.3 | 3.3 | 2.5 | 4.2 | 4.3 | 5.6 | 5.9 | 6.1 | 3.6 | 4.9 |
| 1975 - 1989 | 0.2 | 1.3 | 2.3 | 1.7 | 3.5 | 4.2 | 2.0 | 4.0 | 2.7 | 3.0 |
| 1990 - 1999 | 1.8 | 0.6 | 1.4 | 1.1 | 1.8 | 1.9 | 1.7 | 2.0 | 1.6 | 1.6 |
| 2000+ | ** | ** | 0.4 | 0.1 | 2.1 | 0.9 | 3.0 | 0.5 | 1.8 | 0.8 |
| Total | 3.4 | 2.8 | 2.0 | 2.8 | 3.4 | 3.7 | 3.2 | 3.6 | 2.9 | 3.3 |

**1.2.2 Private Apartment Average Rents (\$)
by Year of Construction and Bedroom Type
Halifax CMA**

| Year of Construction | Bachelor | | 1 Bedroom | | 2 Bedroom | | 3 Bedroom + | |
|----------------------|----------|------|-----------|------|-----------|-------|-------------|-------|
| | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 |
| Halifax CMA | | | | | | | | |
| Pre 1960 | 516 | 481 | 560 | 592 | 669 | 712 | 1,001 | 926 |
| 1960 - 1974 | 537 | 542 | 574 | 593 | 683 | 696 | 857 | 844 |
| 1975 - 1989 | 595 | 598 | 629 | 637 | 729 | 744 | 908 | 956 |
| 1990 - 1999 | 547 | 558 | 636 | 646 | 780 | 799 | 1,046 | 988 |
| 2000+ | ** | ** | 867 | 844 | 1,072 | 1,025 | 1,358 | 1,134 |
| Total | 560 | 552 | 612 | 626 | 747 | 762 | 1,014 | 946 |

** : Data suppressed to protect confidentiality or because data is not statistically reliable

n/u : No units exist in the universe for this category

n/s : No units exist in the sample for this category

n/a : Not applicable

1.3.1 Private Apartment Vacancy Rates (%) by Structure Size and Bedroom Type Halifax CMA

| Size | Bachelor | | 1 Bedroom | | 2 Bedroom | | 3 Bedroom + | | Total | |
|--------------------|----------|------|-----------|------|-----------|------|-------------|------|-------|------|
| | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 |
| Halifax CMA | | | | | | | | | | |
| 3 to 5 Units | ** | ** | 0.2 | 4.9 | 3.4 | 3.3 | 2.7 | 1.3 | 3.2 | 3.6 |
| 6 to 19 Units | 3.0 | 4.0 | 3.7 | 2.6 | 6.6 | 6.0 | 2.5 | 5.2 | 5.1 | 4.5 |
| 20 to 49 Units | 6.7 | 5.9 | 3.4 | 4.4 | 3.5 | 3.8 | 5.3 | 7.9 | 3.8 | 4.4 |
| 50 to 99 Units | 1.3 | 1.7 | 1.1 | 1.5 | 2.1 | 1.7 | 2.9 | 1.7 | 1.8 | 1.6 |
| 100+ Units | 0.0 | 0.6 | 0.9 | 2.2 | 2.0 | 4.6 | 2.8 | 1.8 | 1.3 | 3.0 |
| Total | 3.4 | 2.8 | 2.0 | 2.8 | 3.4 | 3.7 | 3.2 | 3.6 | 2.9 | 3.3 |

1.3.2 Private Apartment Average Rents (\$) by Structure Size and Bedroom Type Halifax CMA

| Size | Bachelor | | 1 Bedroom | | 2 Bedroom | | 3 Bedroom + | |
|--------------------|----------|------|-----------|------|-----------|------|-------------|-------|
| | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 |
| Halifax CMA | | | | | | | | |
| 3 to 5 Units | ** | ** | 552 | 588 | 677 | 730 | 1,119 | 969 |
| 6 to 19 Units | 512 | 483 | 515 | 538 | 636 | 658 | 765 | 769 |
| 20 to 49 Units | 531 | 523 | 572 | 589 | 706 | 722 | 842 | 848 |
| 50 to 99 Units | 556 | 567 | 621 | 647 | 796 | 824 | 1,013 | 1,045 |
| 100+ Units | 613 | 613 | 719 | 717 | 867 | 837 | 1,250 | 1,118 |
| Total | 560 | 552 | 612 | 626 | 747 | 762 | 1,014 | 946 |

1.4 Private Apartment Vacancy Rates (%) by Rent Range and Bedroom Type Halifax CMA

| Rent Range | Bachelor | | 1 Bedroom | | 2 Bedroom | | 3 Bedroom + | | Total | |
|--------------------|----------|------|-----------|------|-----------|------|-------------|------|-------|------|
| | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 |
| Halifax CMA | | | | | | | | | | |
| LT \$500 | 4.2 | 4.1 | 3.1 | 4.4 | 3.7 | 3.5 | n/s | ** | 3.4 | 4.2 |
| \$500 - \$649 | 3.3 | 2.8 | 2.6 | 3.1 | 6.0 | 5.3 | 8.1 | 5.6 | 4.2 | 3.9 |
| \$650 - \$749 | 3.2 | 1.7 | 1.5 | 1.8 | 3.7 | 3.5 | 3.1 | 4.4 | 3.0 | 3.0 |
| \$750 - \$849 | ** | ** | 0.4 | 3.7 | 2.6 | 4.5 | 1.6 | 11.1 | 1.8 | 4.6 |
| \$850 - \$999 | ** | ** | 0.0 | 0.5 | 1.8 | 2.6 | 2.1 | 3.4 | 1.4 | 2.3 |
| \$1000+ | ** | n/s | ** | ** | 0.7 | 3.7 | 2.9 | 1.0 | 1.7 | 2.6 |
| Total | 3.4 | 2.8 | 2.0 | 2.8 | 3.4 | 3.7 | 3.2 | 3.6 | 2.9 | 3.3 |

** : Data suppressed to protect confidentiality or because data is not statistically reliable

n/u : No units exist in the universe for this category

n/s : No units exist in the sample for this category

n/a : Not applicable

METHODOLOGY

Canada Mortgage and Housing Corporation (CMHC) conducts the **Rental Market Survey (RMS)** every year in October to estimate the relative strengths in the rental market. The survey is conducted on a sample basis in all urban areas with populations of 10,000 and more. The survey targets only structures with at least three rental units, which have been on the market for at least three months. The data collected for a structure depends on its initiation type (public or private), and whether it is an apartment or a row structure. The survey collects vacant unit data for all sampled structures. The market rent data are collected for only privately initiated structures. The available unit data are obtained only for privately initiated apartment or row structures. Most data contained in this publication refer to privately initiated apartment structures.

The survey is conducted by a combination of telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent. The survey is conducted during the first two weeks of October, and the results reflect market conditions at that time.

Definitions

Availability: A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy below).

Rent: The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit.

It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent. The changes in average rent do not necessarily correspond to rent changes within a given structure. The increase or decrease of the average rents between two years may or may not be statistically significant due to other factors such as the variability of the rents.

Rental Apartment Structure: Any building containing three or more rental units, of which at least one unit is not ground oriented. Owner-occupied units are not included in the rental building unit count.

Rental Row (Townhouse) Structure: Any building containing three or more rental units, all of which are ground oriented with vertical divisions. Owner-occupied units are not included in the rental building unit count. These row units in some centres are commonly referred to as townhouses.

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

Definitions of Census Areas referred to in this publication are as follows:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

All data presented in this publication is based on Statistics Canada's 2001 Census area definitions.

Acknowledgement

The Rental Market Survey could not have been conducted without the cooperation of the rental property owners, managers and building superintendents throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information. As a result of their contribution, CMHC is able to provide information that benefits the entire housing industry.

Information and Subscriptions

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Cette publication est aussi disponible en français sous le titre: Rapport sur le marché locatif.

Note: Tables for rental row (townhouses) are not released in this current publication. However, tables are available on request where applicable.

07/12/2005

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