RENTAL MARKET REPORT

KITCHENER CMA

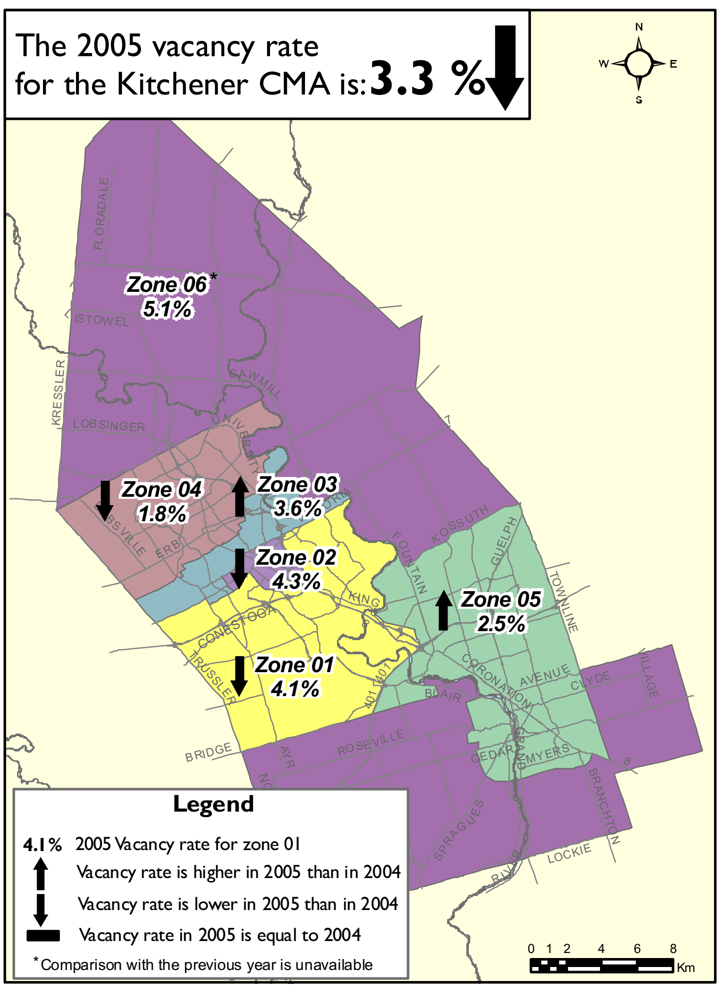
OCTOBER 2005

Kitchener's Vacancy Rate Moves Lower

REPORT HIGHLIGHTS

The rental market in the Kitchener Census Metropolitan Area (CMA) has tightened this year. According to the October 2005 Rental Market Survey, the vacancy rate for privately initiated rental apartments in buildings of three or more units decreased to 3.3 per cent in 2005 - down from 3.5 per cent last year.

Demand for rental accommodation was lifted by exceptional local job growth and strong in-migration into the region. Somewhat dampening the increase in demand were low mortgage rates which converted many renter households into homeowners.



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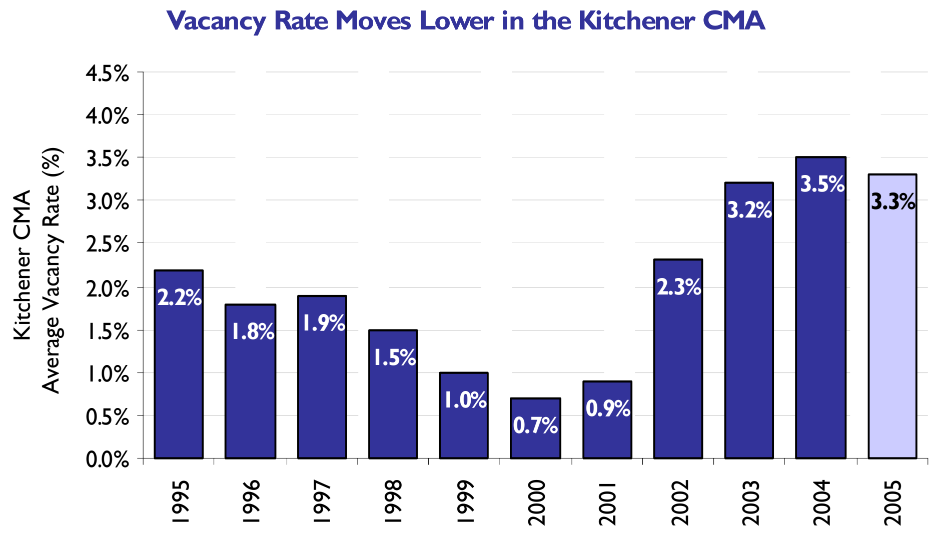
Canada

CMHC SCHL
HOME TO CANADIANS

Demand for Rental Apartments Inches Higher

After four consecutive years of waining rental demand and rising vacancies, demand for rental accommodation in the Kitchener CMA has picked up. The vacancy rate in the Kitchener CMA has edged lower this year. It nevertheless remains well above the historic average for the region. A number of factors (discussed below) have contributed to stronger rental demand.



Source: CMHC

Job Gains Fuel Rental Demand

Strong job growth in the Kitchener CMA boosted rental demand. Employed individuals are more likely to buy or rent homes. Between October 2004 and October 2005, employment grew by a remarkable five per cent – more than double the average rate of job creation in the Kitchener area over the last 10 years.

Of particular interest are youth employment levels since youth have a greater propensity to rent. Full-time employment for those aged 15 to 24 has edged higher this year.

Migration added to Rental Demand

Figures released by Statistics Canada show that the number of migrants into the Kitchener CMA spiked more than 50 per cent last year. The large jump in migrants has generated strong demand for rental housing.

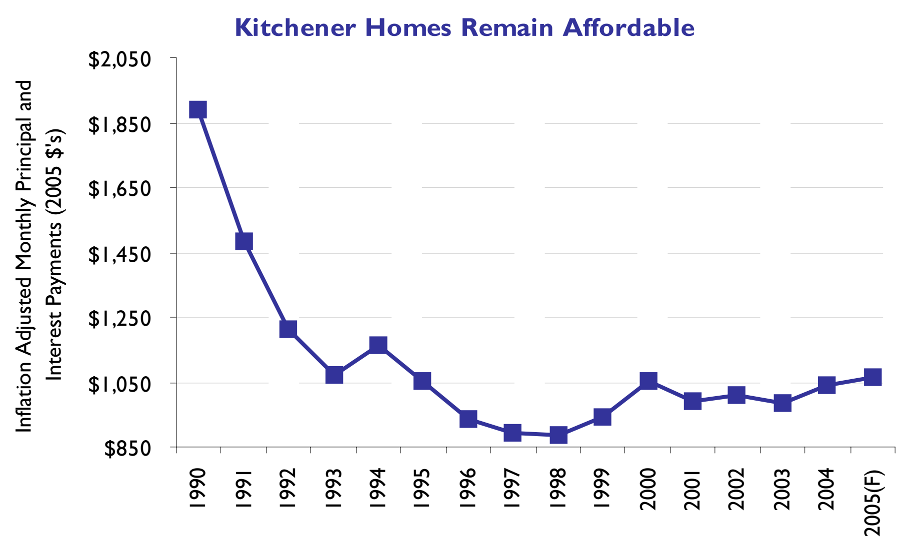
Over the last five years many international migrants have settled in the Kitchener CMA. Strong immigration continued in 2005 - up 45 per cent from last year. Immigrants, who tend to rent when they first arrive, boost demand for rental accommodation.

Once international migrants gain employment, establish a credit rating and save enough of a down payment, they are better able to make the leap into home-ownership.

Competition From Ownership

Somewhat counteracting the increase in rental demand this year has been lower borrowing costs available to potential homebuyers. Low mortgage rates have kept principal and interest costs low in spite of rising home prices, and have encouraged many first-time buyers and renter households to become homeowners. Many renters have recognized that the cost of renting a large two or three-bedroom apartment is comparable to the cost of buying a home. Consequently, we have witnessed a steady flow of renters into home-ownership.

Lower down payment qualifications for insured mortgages and access to Registered Retirement Savings Plan funds for down payments have helped many first-time buyers make the jump to home-ownership.



Source: CREA, Bank of Canada, Consensus Forecast, CMHC Forecast
Assumptions: 25% down payment, 25 yr amort., 5-year rate, Avg. MLS

Incentive Attract Tenants

Incentives offered by property management firms and landlords have had some success retaining and attracting new tenants. Incentives have ranged from one-month's free rent to a tenant reward program with a chance at a grand prize of $25,000 in rent credit.

Rental Supply Growing

On the supply side, new rental apartments were added to Kitchener's rental pool this year. In the first nine-months of the year, a total of 561 new rental apartments were completed, most within the Cities of Kitchener and Waterloo.

Vacancy Rate Moves Lower

The rise in rental demand, triggered by exceptional job growth and strong in-migration, more than offset the steady flow of renters into home-ownership. With little new supply added to the rental pool the vacancy rate in the Kitchener CMA moved lower to 3.3 per cent this year.

Average Rents Move Higher

Average two bedroom rents increased to $811 – up six per cent from October of last year. The jump in average two bedroom rents occurred exclusively in larger buildings consisting of 100-199 apartments. Rents in building consisting of 100 apartments or less experienced virtually no change this year. New higher-end apartment buildings, with better finishes and amenities, were added to the survey in 2005 and played a part in driving average two bedroom rents higher.

Average rents in apartments with three or more bedrooms increased by 11 per cent in the Kitchener CMA in 2005. The spike in rents of apartments with three bedrooms or more occured exclusively in the City of Waterloo (Zone 4). Average rents in three or more bedroom apartments jumped almost 30 per cent in Waterloo this year. Anecdotal evidence suggests that landlords are renting large four and five bedroom apartments to local students on a per room basis. This practise, coupled with an increase in the supply of four and five bedroom apartments, has lead to a large rise in average rents in apartments with three or more bedrooms this year.

Average one-bedroom rents increased by four per cent in 2005 to reach $677. The addition of new higher-end apartments to the survey this year contributed to the increase. Newer one-bedroom apartments are larger, and offer better finishes and amenities. Consequently, newer apartments tend to charge a premium over market rents.

Above average vacancies in bachelor suite apartments resulted in a moderate rent increase of less than one per cent.

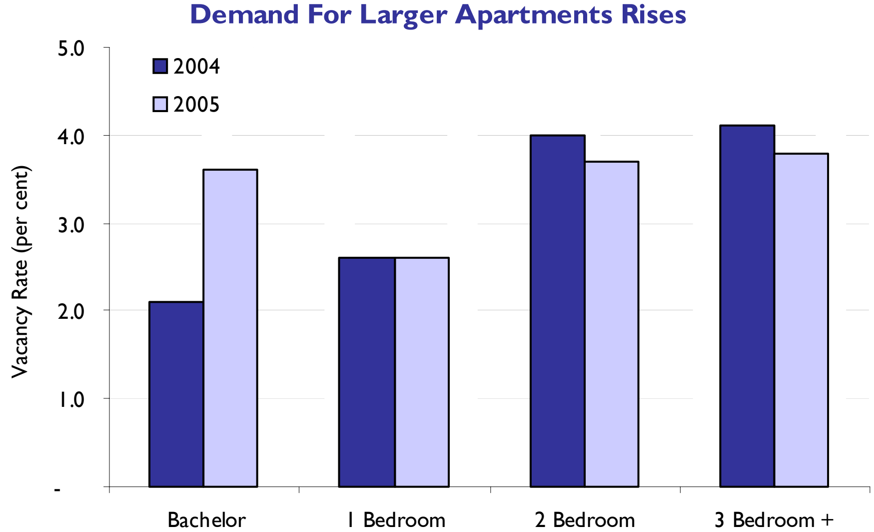
The increase in average rents this year marks the first time in three years that rent increases outpaced the general rate of inflation.

Demand for Two Bedroom Apartments Grows

Lower vacancies for two-bedroom apartments coupled with a stable vacancy rate for one-bedroom apartments pushed the overall average vacancy rate in the region lower in 2005. One and two-bedroom apartments make up more than 90 per cent of all rental apartments in the Kitchener CMA. Hence, changes in the vacancy rate of one and two-bedroom apartments dictate changes in the total vacancy rate for the region.

The vacancy rate for two bedroom apartments has dipped to 3.7 per cent down from four per cent last October. Some renters have taken advantage of incentives to move from smaller apartments into larger apartments.

Demand For Larger Apartments Rises



Source: CMHC Rental Market Survey

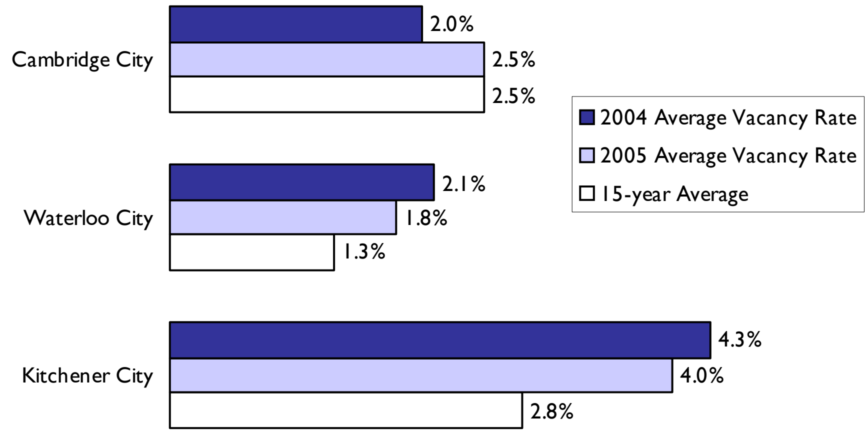
High Vacancies in Larger Apartments

Vacancy rates for two and three bedroom apartments edged lower this year, but nevertheless remain well above average. Low mortgage rates have played a big part in keeping vacancies high in larger apartments. With the gap between the cost of renting and the cost of owning remaining quite small, many renters and first time buyers have opted to buy a home instead of renting.

Home sales in the Kitchener-Waterloo (KW) and Cambridge Real Estate Boards are a reflection of the movement to ownership. Home sales under both real estate boards have surpassed historic highs this year. The Kitchener CMA is also one of the few CMA's in Ontario registering an increase in home starts this year.

Higher end apartments are experiencing high vacancy rates. Apartments charging rents in excess of $900 per month remain at risk from the draw to home-ownership. These units have experienced a significant increase in their vacancy rates, from 3.2 per cent in 2004 to 4.4 per cent this year.

City of Waterloo Tightest Rental Market in CMA



Source: CMHC Rental Market Survey

Fewer Apartments Available for Rent

Stronger demand for rental accommodation has pushed the availability rate lower this year. According to the Rental Market Survey results, six per cent of rental apartments were deemed available for rent in October. The availability rate refers to the percentage of apartments that are either vacant or for which notice to move has been received or given to the current tenant and for which a lease has not been signed by a new tenant.

The availability rate provides a slightly broader indication of the trends in available rental supply in the short-term. As a result, availability rates tend to be slightly higher than vacancy rates.

The availability rate by bedroom type closely follows vacancy rate trends. There were fewer one, two and three bedroom apartments available for rent compared to October of last year. The availability rate for bachelor suites jumped in 2005.

Waterloo - Tightest Rental Market in CMA

Although the average vacancy rate for the Kitchener CMA dipped in 2005, not all zones experienced the same outcome.

A larger pool of potential renters has translated into stronger rental demand in the city of Waterloo (Zone 4). The city of Waterloo has seen its vacancy rate dip below two per cent this year reflecting, in large part, stronger student rental demand. A Statistics Canada report released earlier this year showed that enrolment at Canadian Universities recorded its strongest increase in 28 years during the academic year 2003/04. Universities in the Waterloo Region have followed this trend.

The city of Kitchener (Zone 1-3) holds the largest share of apartments in the Kitchener CMA - representing more than 60 per cent of the total rental supply. The Kitchener City vacancy rate edged lower in 2005 moving to four per cent down from 4.3 per cent in 2004. Despite this small decline, the vacancy rate remains well above its 15-year average suggesting that demand for rental accommodation within the city of Kitchener remains fairly soft.

The city of Cambridge (Zone 5) is experiencing relatively tight rental market conditions. As of October 2005 the average vacancy rate in the city of Cambridge was 2.5 per cent – in-line with its historical 15-year average suggesting stable rental demand.

National Apartment Vacancy Rate Stabilizes

The average rental apartment vacancy rate in Canada's 28 major centres[1] 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).

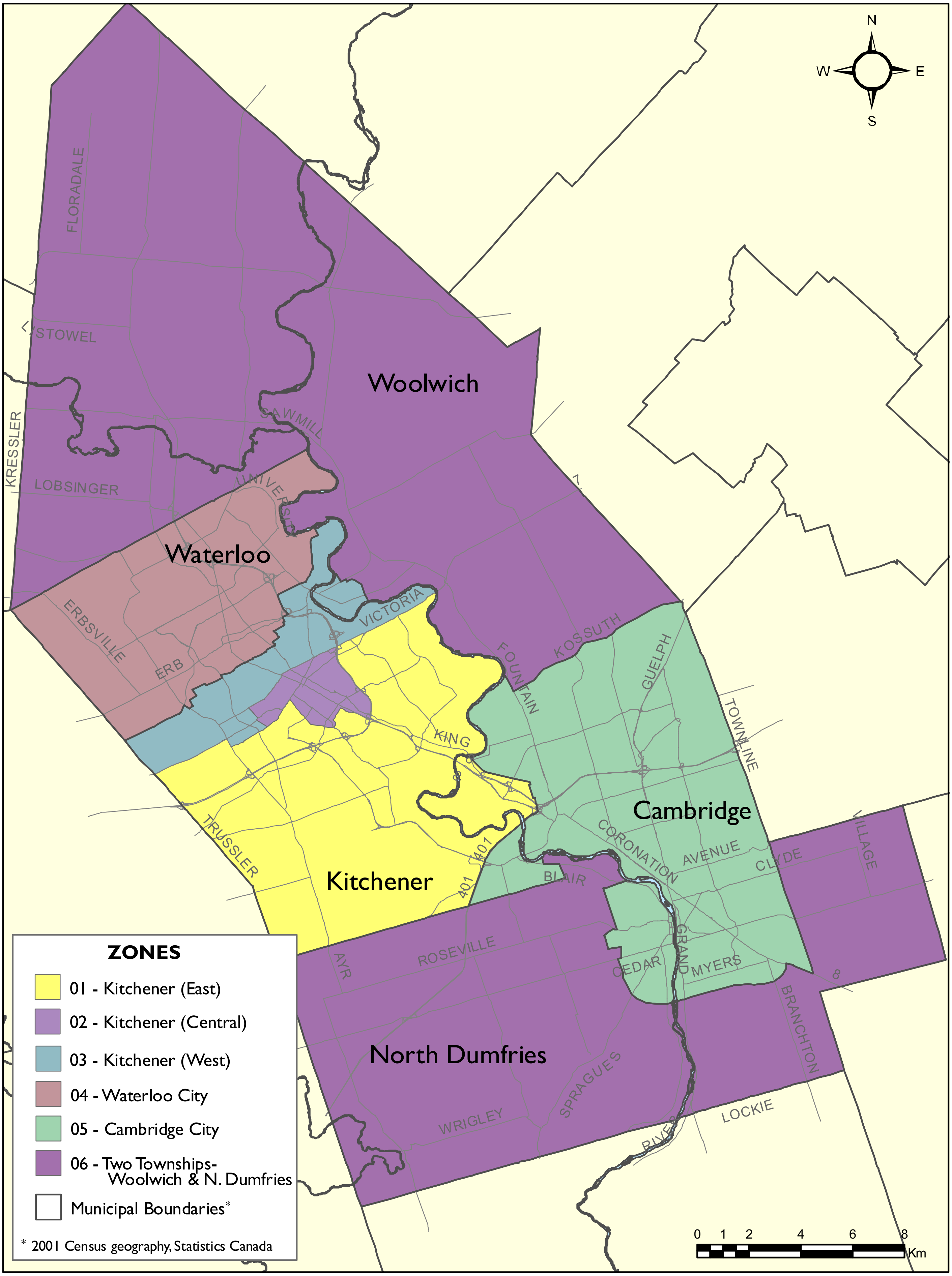
Average rents for two-bedroom apartments increased in 25 of the 28 major centres. However in 15 of the 25 major centres where rents were up, the increases were small. The greatest increases occurred in Kitchener, Victoria, and Quebec where rents were up 6.0 per cent, 4.8 per cent, and 4.2 per cent, respectively. 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.

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**

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



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W
E
S
FLORADALE
LISTOWEL
KRESSLER
LOBSINGER
SAWMILL
UNIVERSITY
Woolwich
Waterloo
VICTORIA
ERBSVILLE
ERB
FOUNTAIN
KOSSUTH
GUELPH
TOWNLINE
KING
Cambridge
CORONATION
AVENUE
CLYDE
VILLAGE
TRUSSLER
401
Kitchener
BLAIR
ROSEVILLE
AYR
CEDAR
GRAND
MYERS
BRANCHTON
North Dumfries
SPRAGUES
WRIGLEY
LOCKIE
ZONES
01 - Kitchener (East)
02 - Kitchener (Central)
03 - Kitchener (West)
04 - Waterloo City
05 - Cambridge City
06 - Two Townships- Woolwich & N. Dumfries
Municipal Boundaries*
* 2001 Census geography, Statistics Canada
0 1 2 4 6 8
Km

ZONE DESCRIPTIONS - KITCHENER CMA	
Zone 1	**Kitchener East** - Highland Rd. West, Mill St., Victoria Ave. (north), N. Dumfries boundaries (New Dundee Rd.) (south), Woolwich Twp. (Grand River), Cambridge, Hwy 401 (east), Trussler Rd. (west).
Zone 2	**Kitchener Central** - Victoria Ave. (north), Highland Rd. West, Mill St. (south), Conestoga Pkwy (east), Lawrence Ave. (west).
Zone 3	**Kitchener West** - Waterloo City boundaries (north), Highland Rd. West, Mill St., Victoria Ave. (south), Woolwich Twp. (Grand River) (east), Wilmont Line/Wilmont Twp boundaries (west).
Zones 1-3	**Kitchener City**
Zone 4	**Waterloo** - Woolwich Twp boundaries (north), Kitchener City boundaries (south), Woolwich Twp. (Grand River) (east), Wilmont Line (west).
Zone 5	**Cambridge** - Woolwich Twp boundaries (north), N. Dumfries Twp boundaries (south), Town Line Rd. (N. Dumfries Twp, Puslinch Twp) (east), Kitchener City boundaries (west).
Zone 6	**Two Townships** - **Woolwich:** Waterloo City, Cambridge City boundaries (south), Puslinch Twp (east), Regional Rd 16, Waterloo City, Kitchener City (west); **N. Dumfries:** Kitchener City, (north), Cambridge City boundaries (east), Trussler Rd. (west).
Zones 1-6	**Kitchener 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 Outlook: 2006

The rental market in the Kitchener CMA is forecast to tighten slightly in 2006. Demand for rental accommodation will be boosted by strong job growth and in-migration into the region.

Kitchener's economy will continue to generate jobs. Employment will increase by 3.6 per cent next year. In particular, youth employment in the Kitchener CMA will follow an improving employment trend. Strong job growth within this age group will translate into an increase in rental demand next year.

Strong job prospects coupled with Kitchener's vibrant local economy will attract plenty of migrants to the region. The federal government has also increased its immigration target range for 2006. The influx of people will generate strong demand for housing. Some of these migrants will choose to rent.

Landlords will continue to offer incentives in an attempt to retain and attract new tenants. Incentive programs will help reduce the number of vacancies in the region.

A tight resale home market next year will put further upward pressure on house prices. Mortgage rates are forecast to increase moderately next year. The combination of rising home prices and rising mortgage rates will push monthly carrying costs higher. Consequently, fewer renters will make the jump into home-ownership in 2006.

Stronger demand for rental accommodation coupled with higher home-ownership costs will push vacancy rates for private apartments lower next year. The average vacancy rate in the Kitchener CMA will dip to 3.1 per cent in 2006.

With the vacancy rate in the Kitchener CMA remaining well above its historic average, clearly there will still be some slack left in the rental market. Consequently landlords will not have much pricing power next year. Rent increases in 2006 will be in-line with the guideline increases of 2.1 per cent established by the Ministry of Municipal Affairs and Housing.

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

1.1.1 Private Apartment Vacancy Rates (%)
by Zone and Bedroom Type
Kitchener CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
Zone 1 - Kitchener (East)	0.0	2.2	3.6	2.7	5.5	4.8	5.7	4.6	4.8	4.1
Zone 2 - Kitchener (Central)	4.3	5.5	3.1	3.8	6.2	4.6	**	4.9	5.1	4.3
Zone 3 - Kitchener (West)	0.0	3.0	1.7	2.7	4.3	4.3	**	**	3.1	3.6
Kitchener City	1.0	3.3	2.9	2.9	5.3	4.6	5.4	4.3	4.3	4.0
Zone 4 - Waterloo City	**	**	2.2	1.2	1.8	2.1	2.9	1.8	2.1	1.8
Zone 5 - Cambridge City	4.7	5.1	1.7	2.0	2.0	2.4	1.6	5.7	2.0	2.5
Zone 6 - Two Townships	0.0	0.0	**	11.1	**	0.5	n/s	**	**	5.1
Kitchener CMA	**2.1**	**3.6**	**2.6**	**2.6**	**4.0**	**3.7**	**4.1**	**3.8**	**3.5**	**3.3**

1.1.2 Private Apartment Average Rents ($)
by Zone and Bedroom Type
Kitchener CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +	
	2004	2005	2004	2005	2004	2005	2004	2005
Zone 1 - Kitchener (East)	575	583	649	667	768	782	935	950
Zone 2 - Kitchener (Central)	**	496	642	667	776	830	**	**
Zone 3 - Kitchener (West)	**	555	661	692	761	821	**	**
Kitchener City	547	552	651	675	768	800	959	957
Zone 4 - Waterloo City	**	**	669	676	808	868	1,160	1,506
Zone 5 - Cambridge City	499	506	624	670	703	783	776	782
Zone 6 - Two Townships	537	518	**	**	**	**	n/s	**
Kitchener CMA	**541**	**544**	**651**	**677**	**765**	**811**	**990**	**1,099**

1.1.3 Number of Private Apartment Units Vacant and Universe in October 2005
by Zone and Bedroom Type
Kitchener CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total
Zone 1 - Kitchener (East)	5	236	81	2,977	274	5,705	30	644	390	9,561
Zone 2 - Kitchener (Central)	8	149	46	1,226	70	1,527	4	86	129	2,987
Zone 3 - Kitchener (West)	5	171	51	1,872	120	2,768	**	**	181	4,967
Kitchener City	19	555	178	6,074	464	10,000	38	886	699	17,515
Zone 4 - Waterloo City	**	**	19	1,579	69	3,324	8	436	99	5,413
Zone 5 - Cambridge City	4	78	26	1,276	67	2,814	12	205	109	4,372
Zone 6 - Two Townships	0	7	17	153	1	188	**	**	18	355
Kitchener CMA	**26**	**713**	**240**	**9,083**	**601**	**16,326**	**58**	**1,533**	**925**	**27,655**

****** : 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
Kitchener CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
Zone 1 - Kitchener (East)	0.4	5.5	6.0	4.8	8.0	8.4	8.6	7.7	7.3	7.2
Zone 2 - Kitchener (Central)	8.4	6.2	4.8	6.2	11.1	6.6	**	11.1	8.6	6.5
Zone 3 - Kitchener (West)	3.4	6.8	4.2	6.4	7.9	7.1	**	**	6.2	6.8
Kitchener City	3.3	6.1	5.2	5.6	8.5	7.7	8.2	7.9	7.2	7.0
Zone 4 - Waterloo City	**	**	5.6	3.1	4.2	4.6	3.5	1.8	4.6	4.0
Zone 5 - Cambridge City	11.4	6.4	4.6	3.8	4.4	4.6	4.5	7.1	4.6	4.5
Zone 6 - Two Townships	20.6	0.0	**	11.8	**	3.4	n/s	**	**	6.9
Kitchener CMA	**4.8**	**6.5**	**5.2**	**5.0**	**6.9**	**6.5**	**6.3**	**6.0**	**6.3**	**6.0**

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

Year of Construction	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
Kitchener CMA										
Pre 1960	6.4	6.7	4.4	7.3	2.1	4.0	**	**	3.3	5.6
1960 - 1974	1.6	2.8	2.7	2.1	3.5	2.9	5.0	3.7	3.3	2.7
1975 - 1989	0.0	2.6	2.6	2.2	3.5	3.3	3.2	5.7	3.2	3.1
1990+	**	n/s	**	2.2	8.0	**	**	**	5.6	5.9
Total	2.1	3.6	2.6	2.6	4.0	3.7	4.1	3.8	3.5	3.3

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

Year of Construction	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +	
	2004	2005	2004	2005	2004	2005	2004	2005
Kitchener CMA								
Pre 1960	438	450	550	559	659	670	**	**
1960 - 1974	529	535	649	661	752	756	932	945
1975 - 1989	**	**	692	708	811	823	**	1,009
1990+	**	n/s	**	**	**	**	**	**
Total	541	544	651	677	765	811	990	1,099

** : 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
Kitchener CMA

Size	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
Kitchener CMA										
3 to 5 Units	**	**	3.3	4.0	1.7	4.0	**	0.0	2.1	3.4
6 to 19 Units	5.6	6.4	3.9	5.0	3.3	3.1	3.7	0.7	3.6	3.8
20 to 49 Units	0.0	3.7	2.7	1.3	3.7	4.5	4.4	5.4	3.4	3.5
50 to 99 Units	0.0	2.7	2.2	2.5	3.8	2.3	7.1	3.7	3.4	2.4
100 to 199 Units	0.0	0.8	1.6	1.6	4.3	2.9	1.3	9.1	3.1	2.7
200+ Units	**	**	1.8	1.1	7.0	7.4	5.7	2.4	5.0	4.7
Total	2.1	3.6	2.6	2.6	4.0	3.7	4.1	3.8	3.5	3.3

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

Size	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +	
	2004	2005	2004	2005	2004	2005	2004	2005
Kitchener CMA								
3 to 5 Units	**	**	558	568	686	682	**	**
6 to 19 Units	464	468	586	610	698	699	980	1,300
20 to 49 Units	513	518	626	636	731	745	826	1,136
50 to 99 Units	**	567	695	716	813	807	**	946
100 to 199 Units	**	615	**	757	847	987	**	1,037
200+ Units	**	**	**	**	**	**	**	**
Total	541	544	651	677	765	811	990	1,099

1.3.3 Private Apartment Vacancy Rates (%)
by Structure Size and Zone
Kitchener CMA

Zone	3-5		6-19		20-49		50-99		100-199		200+	
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
Zone 1 - Kitchener (East)	3.2	4.3	4.9	4.1	3.9	3.6	4.4	2.5	4.4	4.4	7.2	6.7
Zone 2 - Kitchener (Central)	**	**	3.7	8.2	**	2.9	4.5	**	**	3.0	**	**
Zone 3 - Kitchener (West)	4.7	3.4	4.1	5.9	4.4	5.1	**	2.2	**	2.3	0.6	2.6
Kitchener City	3.3	3.7	4.5	5.2	4.0	3.9	4.7	2.6	3.8	3.2	5.3	5.3
Zone 4 - Waterloo City	**	**	1.6	1.8	3.7	2.2	1.2	1.2	1.8	1.6	**	**
Zone 5 - Cambridge City	0.0	2.1	3.7	2.8	1.4	3.5	1.7	1.7	**	**	n/u	n/u
Zone 6 - Two Townships	**	**	**	0.7	n/s	**	n/s	**	n/u	n/u	n/u	n/u
Kitchener CMA	**2.1**	**3.4**	**3.6**	**3.8**	**3.4**	**3.5**	**3.4**	**2.4**	**3.1**	**2.7**	**5.0**	**4.7**

****** : 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

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

Rent Range	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
Kitchener CMA										
LT $500	2.3	5.4	1.1	0.9	**	**	**	**	1.7	3.2
$500 - $599	3.9	3.8	2.5	3.6	1.0	1.2	**	**	2.3	3.2
$600 - $699	**	**	4.4	3.7	2.9	2.4	**	**	3.6	3.1
$700 - $799	**	**	2.1	1.8	5.9	4.5	3.1	3.3	4.9	3.7
$800 - $899	**	n/s	9.0	0.9	4.4	3.4	5.6	3.3	4.8	3.0
$900+	n/s	n/s	**	**	1.9	4.4	5.3	3.9	3.2	4.4
Total	2.1	3.6	2.6	2.6	4.0	3.7	4.1	3.8	3.5	3.3

2.1.1 Private Row (Townhouse) Vacancy Rates (%) by Zone and Bedroom Type Kitchener CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
Zone 1 - Kitchener (East)	n/u	n/u	**	**	6.0	6.5	3.0	2.9	4.0	5.4
Zone 2 - Kitchener (Central)	**	**	n/u	n/u	**	n/u	**	**	1.4	**
Zone 3 - Kitchener (West)	n/u	n/u	n/u	n/u	**	**	**	**	**	**
Kitchener City	**	**	**	**	5.3	5.5	2.6	2.8	3.5	4.7
Zone 4 - Waterloo City	**	**	**	**	**	2.3	**	1.6	**	1.7
Zone 5 - Cambridge City	n/u	n/u	**	**	1.4	2.0	6.6	2.6	2.9	2.4
Zone 6 - Two Townships	n/u	n/u	**	**	**	**	**	**	**	**
Kitchener CMA	**	**	**	**	**3.1**	**3.4**	**4.3**	**2.4**	**3.7**	**3.2**

2.1.2 Private Row (Townhouse) Average Rents ($) by Zone and Bedroom Type Kitchener CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +	
	2004	2005	2004	2005	2004	2005	2004	2005
Zone 1 - Kitchener (East)	n/u	n/u	**	**	**	833	**	888
Zone 2 - Kitchener (Central)	**	**	n/u	n/u	n/s	n/u	**	**
Zone 3 - Kitchener (West)	n/u	n/u	n/u	n/u	**	**	**	**
Kitchener City	**	**	**	**	**	839	857	892
Zone 4 - Waterloo City	n/s	**	**	**	**	854	**	989
Zone 5 - Cambridge City	n/u	n/u	**	**	659	675	757	766
Zone 6 - Two Townships	n/u	n/u	**	**	**	**	**	**
Kitchener CMA	**	**	**	**	**778**	**773**	**889**	**906**

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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

2.1.3 Number of Private Row (Townhouse) Units Vacant and Universe in October 2005 by Zone and Bedroom Type Kitchener CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total
Zone 1 - Kitchener (East)	n/u	n/u	**	**	30	472	20	680	64	1,188
Zone 2 - Kitchener (Central)	**	**	n/u	n/u	n/u	n/u	**	**	**	**
Zone 3 - Kitchener (West)	n/u	n/u	n/u	n/u	**	**	**	**	**	**
Kitchener City	**	**	**	**	30	553	25	884	69	1,479
Zone 4 - Waterloo City	**	**	**	**	8	324	9	539	16	958
Zone 5 - Cambridge City	n/u	n/u	**	**	11	535	7	253	19	798
Zone 6 - Two Townships	n/u	n/u	**	**	**	**	**	**	**	**
Kitchener CMA	**	**	**	**	**49**	**1,428**	**40**	**1,682**	**104**	**3,258**

2.1.4 Private Row (Townhouse) Availability Rates (%) by Zone and Bedroom Type Kitchener CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
Zone 1 - Kitchener (East)	n/a	n/u	n/a	**	n/a	10.0	n/a	5.1	n/a	8.0
Zone 2 - Kitchener (Central)	n/a	**	n/a	n/u	n/a	n/u	n/a	**	n/a	**
Zone 3 - Kitchener (West)	n/a	n/u	n/a	n/u	n/a	**	n/a	**	n/a	**
Kitchener City	n/a	**	n/a	**	n/a	9.2	n/a	4.8	n/a	7.2
Zone 4 - Waterloo City	n/a	**	n/a	**	n/a	4.0	n/a	2.8	n/a	2.9
Zone 5 - Cambridge City	n/a	n/u	n/a	**	n/a	4.3	n/a	3.7	n/a	4.2
Zone 6 - Two Townships	n/a	n/u	n/a	**	n/a	**	n/a	**	n/a	**
Kitchener CMA	**n/a**	**	**n/a**	**	**n/a**	**6.1**	**n/a**	**4.0**	**n/a**	**5.2**

3.1.1 Private Row (Townhouse) and Apartment Vacancy Rates (%) by Zone and Bedroom Type Kitchener CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
Zone 1 - Kitchener (East)	0.0	2.2	3.6	3.1	5.5	4.9	4.3	3.7	4.7	4.2
Zone 2 - Kitchener (Central)	4.1	5.3	3.1	3.8	6.2	4.6	**	4.3	5.0	4.3
Zone 3 - Kitchener (West)	0.0	3.0	1.7	2.7	4.3	4.2	0.9	2.8	3.0	3.5
Kitchener City	1.0	3.3	2.9	3.1	5.3	4.7	3.9	3.6	4.3	4.0
Zone 4 - Waterloo City	**	**	2.2	1.1	1.8	2.1	4.9	1.7	2.5	1.8
Zone 5 - Cambridge City	4.7	5.1	1.7	2.1	1.9	2.3	4.2	4.0	2.1	2.5
Zone 6 - Two Townships	0.0	0.0	**	11.0	**	0.5	**	**	**	4.8
Kitchener CMA	**2.1**	**3.6**	**2.6**	**2.8**	**3.9**	**3.7**	**4.2**	**3.1**	**3.5**	**3.3**

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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

3.1.2 Private Row (Townhouse) and Apartment Average Rents ($) by Zone and Bedroom Type Kitchener CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +	
	2004	2005	2004	2005	2004	2005	2004	2005
Zone 1 - Kitchener (East)	575	583	649	667	771	786	894	921
Zone 2 - Kitchener (Central)	**	498	642	667	776	830	**	995
Zone 3 - Kitchener (West)	**	555	661	692	775	822	**	**
Kitchener City	547	552	651	675	773	802	910	928
Zone 4 - Waterloo City	**	**	670	683	811	867	1,056	1,237
Zone 5 - Cambridge City	499	506	624	669	695	763	766	773
Zone 6 - Two Townships	537	518	**	**	**	748	**	**
Kitchener CMA	**541**	**544**	**651**	**678**	**766**	**807**	**937**	**1,005**

3.1.3 Number of Private Row (Townhouse) and Apartment Units Vacant and Universe in October 2005 by Zone and Bedroom Type Kitchener CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total
Zone 1 - Kitchener (East)	5	236	95	3,014	304	6,176	49	1,323	454	10,749
Zone 2 - Kitchener (Central)	8	154	46	1,226	70	1,527	4	99	129	3,005
Zone 3 - Kitchener (West)	5	171	51	1,872	120	2,849	10	348	186	5,240
Kitchener City	19	560	192	6,111	494	10,553	63	1,770	768	18,994
Zone 4 - Waterloo City	**	**	19	1,674	76	3,648	17	975	115	6,371
Zone 5 - Cambridge City	4	78	27	1,285	78	3,349	18	459	127	5,170
Zone 6 - Two Townships	0	7	17	155	1	205	**	**	18	378
Kitchener CMA	**26**	**719**	**255**	**9,225**	**649**	**17,754**	**99**	**3,215**	**1,029**	**30,913**

3.1.4 Private Row (Townhouse) and Apartment Availability Rates (%) by Zone and Bedroom Type Kitchener CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
Zone 1 - Kitchener (East)	n/a	5.5	n/a	5.2	n/a	8.5	n/a	6.4	n/a	7.3
Zone 2 - Kitchener (Central)	n/a	6.0	n/a	6.2	n/a	6.6	n/a	10.7	n/a	6.5
Zone 3 - Kitchener (West)	n/a	6.8	n/a	6.4	n/a	7.0	n/a	4.8	n/a	6.7
Kitchener City	n/a	6.0	n/a	5.8	n/a	7.8	n/a	6.3	n/a	7.0
Zone 4 - Waterloo City	n/a	**	n/a	2.9	n/a	4.5	n/a	2.4	n/a	3.8
Zone 5 - Cambridge City	n/a	6.4	n/a	3.9	n/a	4.5	n/a	5.2	n/a	4.4
Zone 6 - Two Townships	n/a	0.0	n/a	11.7	n/a	3.2	n/a	**	n/a	6.5
Kitchener CMA	**n/a**	**6.5**	**n/a**	**5.1**	**n/a**	**6.5**	**n/a**	**4.9**	**n/a**	**5.9**

****** : 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.

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