RENTAL MARKET REPORT

NEWFOUNDLAND AND LABRADOR HIGHLIGHTS*

OCTOBER 2005 SURVEY

Most Rental Markets Experience Lower Vacancy Rates

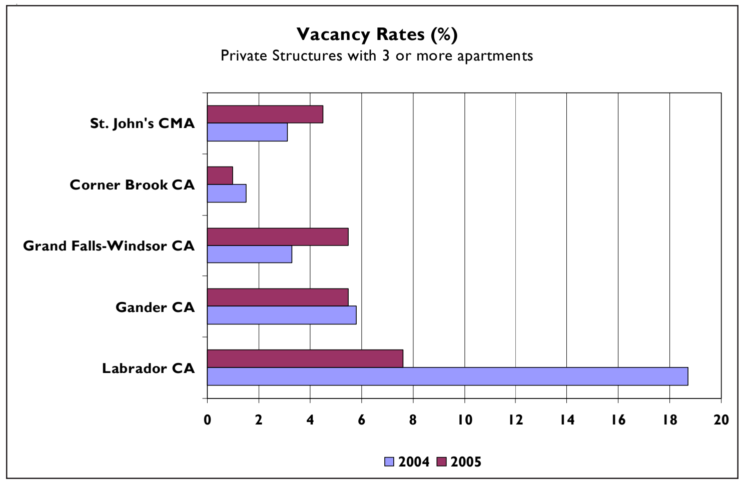
CMHC's annual survey of rental accommodation conducted during the first two weeks of October indicated that vacancy rates for private apartment structures containing three or more units increased in St. John's and Grand Falls-Windsor over the past 12 months while Gander, Corner Brook and Labrador CA experienced fewer vacancies.

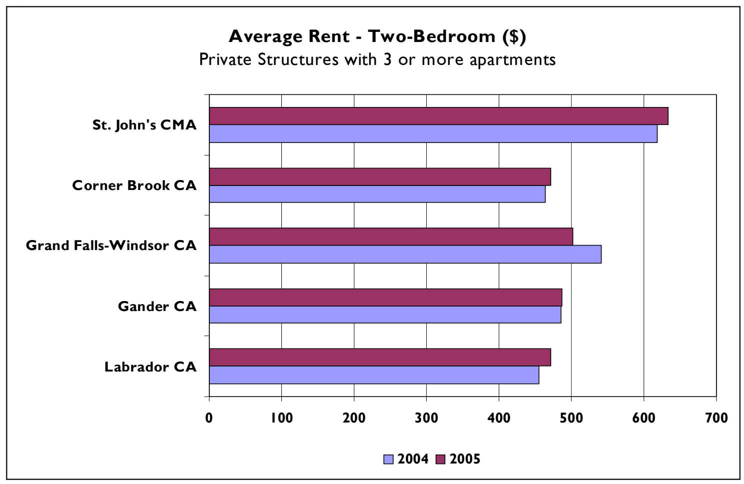
Within the St. John's region, the vacancy rate climbed to 4.5 per cent this year, up from 3.1 per cent in October of 2004. This marked the second year in a row in which the vacancy rate increased in St. John's. The trend reflects sustained demand for home ownership.

Low interest rates, steadily rising incomes and buoyant labour markets continue to draw households away from renting and into home ownership. In Grand Falls-Windsor, the vacancy rate increased to 5.5 per cent in October, up from 3.3 per cent last year. On-going movement to home ownership, additions to the supply in recent years and uncertainty over the future of the local Abitibi Consolidated mill are viewed as key factors behind the higher vacancy rate.

With last year's strike over and sub-contractors returning to the area, Labrador CA experienced a major recovery in its rental market with the vacancy rate falling to 7.6 per cent from 18.7 per cent a year ago. The Gander region continued to benefit from expansion in the retail sector, which helped to lower the vacancy rate to 5.5 per cent from 5.8 per cent last year. Corner Brook, where the vacancy rate dipped to 1.0 per cent from 1.5 per cent, remained the tightest rental market in the province.

With the exception of Grand Falls-Windsor, where average two bedroom rents declined 7.2 per cent over the past year, all other urban centres experienced an increase. Gains in monthly rents ranged from a low of 0.2 per cent in Gander to a high of 3.7 per cent in Labrador CA.





In the St. John's region, average rents for two bedroom apartments advanced 2.6 per cent while Corner Brook rents were up 1.7 per cent from a year earlier.

The availability rate ranged from a high of 8.4 per cent in Labrador CA to a low of 1.0 per cent in Corner Brook. Both Gander and Grand Falls-Windsor had rates of 6.5 per cent. In St. John`s, the availability rate was 5.9 per cent, up from 4.5 per cent in 2004.

***Only centres with a population of 10,000 + are included in the survey. Detailed reports are available for CMAs.**

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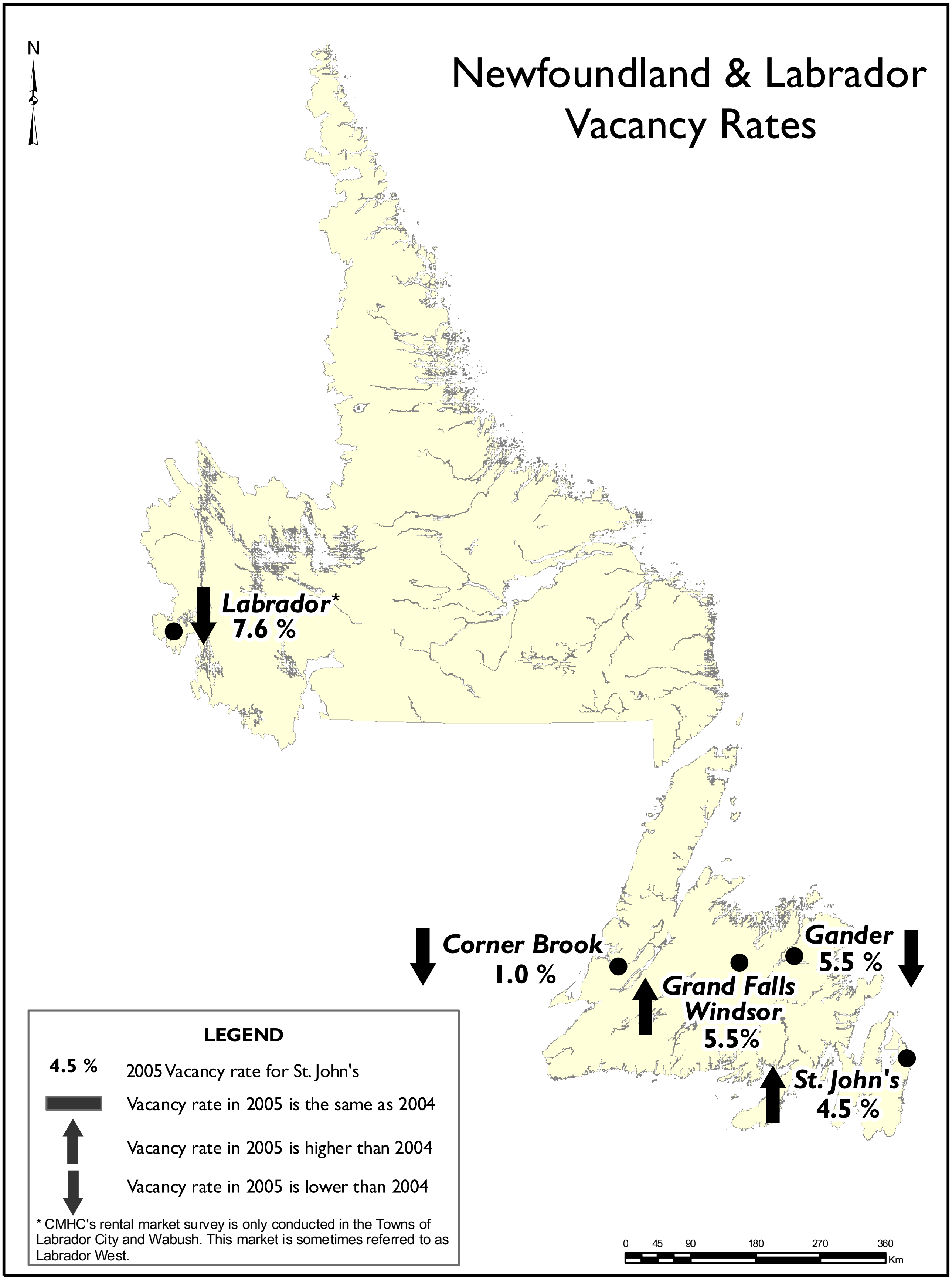

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Newfoundland & Labrador
Vacancy Rates
Labrador*
7.6 %
Corner Brook
1.0 %
Gander
5.5 %
Grand Falls
Windsor
5.5%
St. John's
4.5 %
LEGEND
4.5 %
2005 Vacancy rate for St. John's
Vacancy rate in 2005 is the same as 2004
Vacancy rate in 2005 is higher than 2004
Vacancy rate in 2005 is lower than 2004
* CMHC's rental market survey is only conducted in the Towns of Labrador City and Wabush. This market is sometimes referred to as Labrador West.
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Km

Private Apartment Vacancy Rates (%) by Bedroom Type Province of Newfoundland and Labrador

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
St. John's CMA	3.8	3.7	3.0	4.1	2.9	4.0	3.7	10.0	3.1	4.5
Corner Brook CA	0.0	0.0	1.2	0.6	0.9	1.4	**	0.0	1.5	1.0
Gander CA	**	**	7.8	6.2	5.1	5.6	7.7	2.7	5.8	5.5
Grand Falls-Windsor CA	18.8	**	4.6	6.3	2.9	5.0	2.2	8.8	3.3	5.5
Labrador CA	**	**	31.0	10.3	16.2	6.7	8.4	6.6	18.7	7.6
Newfoundland & Labrador 10,000+	**4.4**	**3.6**	**4.4**	**4.3**	**3.8**	**4.2**	**4.6**	**8.2**	**4.1**	**4.6**

Private Apartment Average Rents ($) by Bedroom Type Province of Newfoundland and Labrador

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
St. John's CMA	453	472	521	539	618	634	624	647	571	589
Corner Brook CA	380	**	391	395	464	472	**	498	440	446
Gander CA	**	**	397	410	486	487	501	500	469	470
Grand Falls-Windsor CA	291	**	423	414	541	502	490	487	513	489
Labrador CA	**	**	396	408	455	472	456	487	438	454
Newfoundland & Labrador 10,000+	**442**	**461**	**492**	**507**	**571**	**578**	**579**	**595**	**539**	**550**

Number of Private Apartment Units Vacant and Universe in October 2005 by Bedroom Type Province of Newfoundland and Labrador

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total
St. John's CMA	14	377	54	1,325	79	1,949	33	329	180	3,980
Corner Brook CA	0	24	1	154	4	295	0	37	5	510
Gander CA	**	**	10	161	24	432	1	37	35	631
Grand Falls-Windsor CA	**	**	2	32	12	239	3	34	17	308
Labrador CA	**	**	8	76	14	205	4	55	26	349
Newfoundland & Labrador 10,000+	**15**	**417**	**75**	**1,748**	**133**	**3,120**	**41**	**492**	**263**	**5,778**

Private Apartment Availability Rates (%) by Bedroom Type Province of Newfoundland and Labrador

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
St. John's CMA	4.5	5.8	4.2	4.9	4.2	5.9	7.8	10.0	4.5	5.9
Corner Brook CA	n/a	0.0	n/a	0.6	n/a	1.4	n/a	0.0	n/a	1.0
Gander CA	n/a	**	n/a	6.2	n/a	6.7	n/a	5.4	n/a	6.5
Grand Falls-Windsor CA	n/a	**	n/a	6.3	n/a	6.3	n/a	8.8	n/a	6.5
Labrador CA	n/a	**	n/a	10.3	n/a	7.7	n/a	6.6	n/a	8.4
Newfoundland & Labrador 10,000+	**4.5**	**5.8**	**4.2**	**4.9**	**4.2**	**5.7**	**7.8**	**8.4**	**4.5**	**5.7**

****** : 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

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

For more information about this publication or any other questions on the Newfoundland and Labrador housing market, please call our **Client Service Department** at (902) 426-4708 or e-mail us at
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Cette publication est aussi disponible en français sous le titre: Rapport sur le marché locate – Faits saillants.

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

To get a national overview and statistics for all CMAs across Canada, please refer to CMHC's website at the following address**:**
www.cmhc.ca/en/news/nere/index.cfm

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