RENTAL MARKET REPORT

NOVA SCOTIA HIGHLIGHTS*

OCTOBER 2005 SURVEY

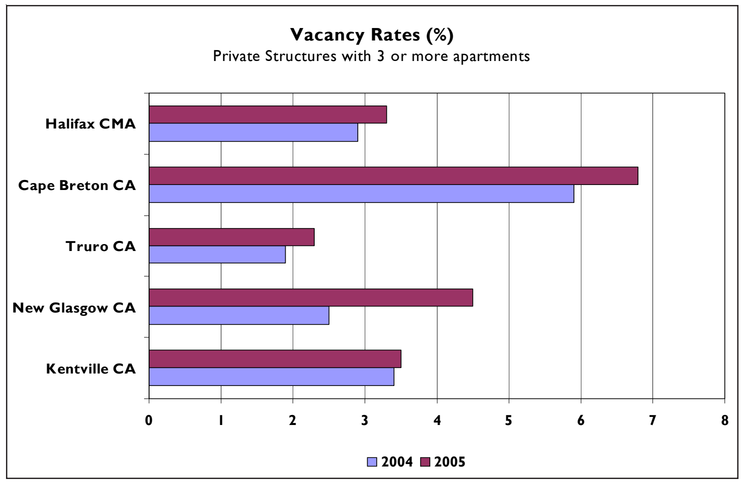
Urban Rental Market Conditions Soften in 2005

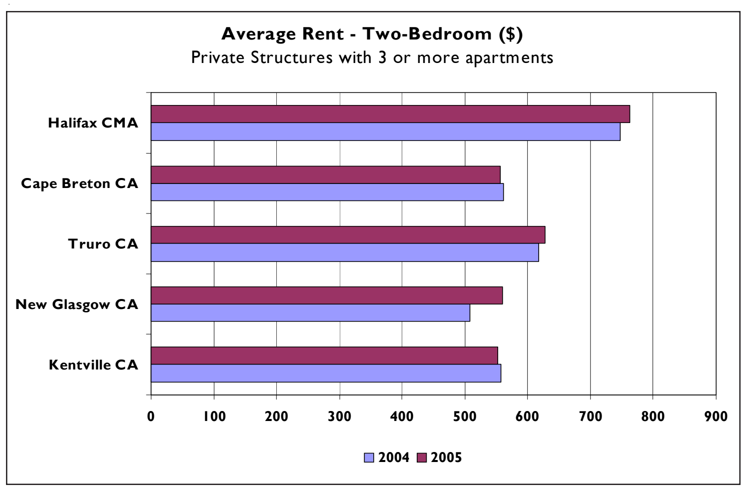
Rental market conditions softened in all five of Nova Scotia's urban centres this year, nudging apartment vacancy rates upward and suppressing growth in monthly rents. A combination of very high employment levels and very low mortgage rates continued to draw tenants into first time homeownership over the past twelve months, curbing overall rental demand. However, increases in vacancy rates were generally very modest as growth in supply of new rental units also slowed considerably over the past survey year with developers exercising caution in decisions about new projects.

Apartment vacancy rates increased in all five urban areas this year, with Kentville posting the smallest increase (0.1 percentage points) and New Glasgow showing the most significant increase (2 percentage points). As was the case last year, Truro continued to have the lowest apartment vacancy rate among the five urban centres at 2.3 per cent while Cape Breton maintained the highest vacancy rate at 6.8 per cent.

Growth in apartment average monthly rents failed to keep pace with the provincial rate of inflation over the past year in all urban areas except New Glasgow where total average rent climbed almost 8 per cent to $517 in October from $480 in October of last year. The slimmest increase occurred in Halifax where average rent nudged upward by less than one per cent to $709 in October from $705 last year. Continuing tight rental market conditions in Truro supported almost three percent growth in average apartment rent in the hub city, while average rents actually declined very slightly in both Cape Breton and Kentville.

This year, for the first time, apartment availability data have been collected for all five urban centres in the province. Comparing vacancy rates with availability rates across the urban centres reveals that availability rates were within one or two percentage points of the corresponding vacancy rate in that centre.





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

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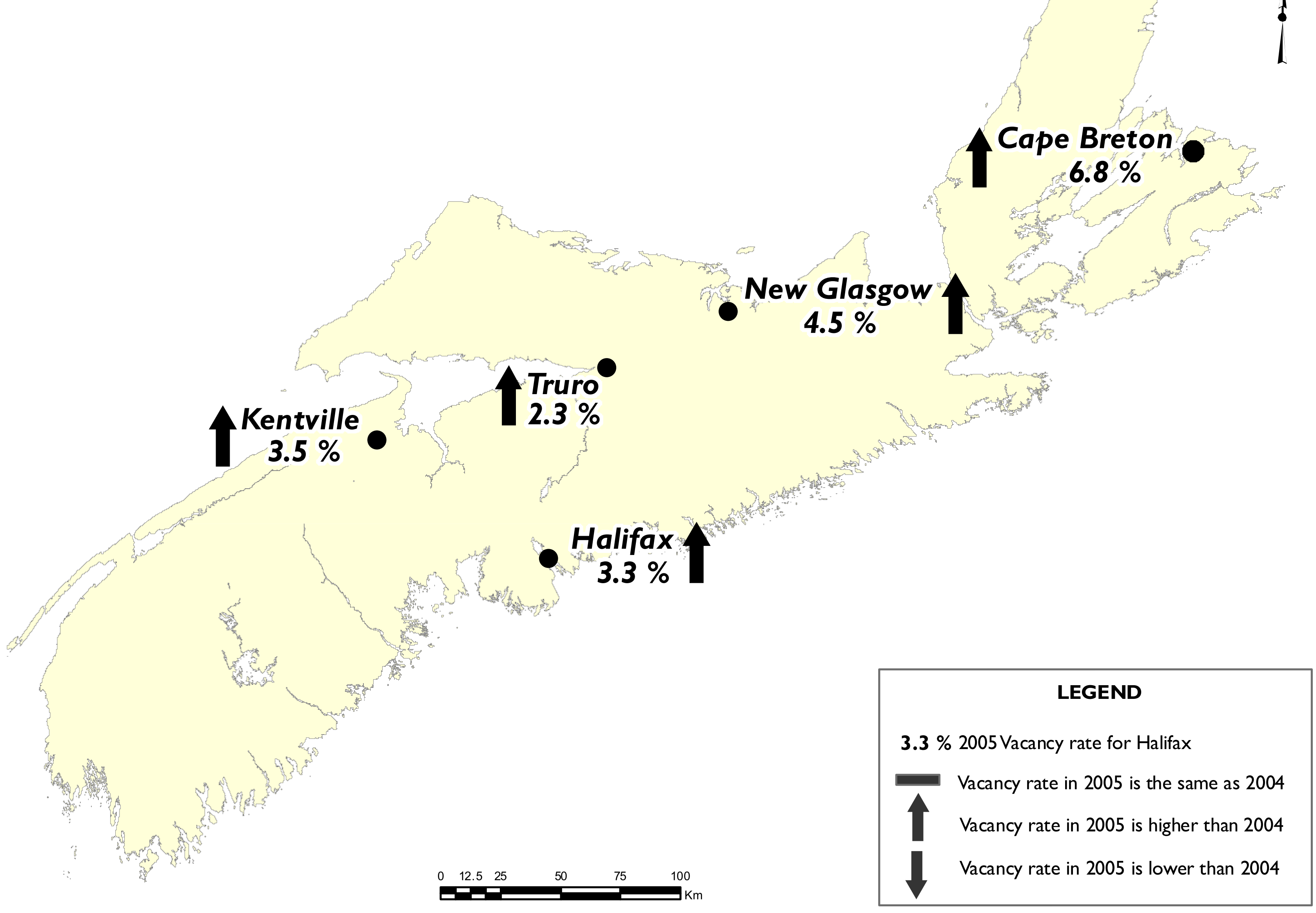
Nova Scotia Vacancy Rates



Private Apartment Vacancy Rates (%) by Bedroom Type Province of Nova Scotia

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
Halifax CMA	3.4	2.8	2.0	2.8	3.4	3.7	3.2	3.6	2.9	3.3
Cape Breton CA	8.6	9.1	8.5	10.8	4.6	5.6	3.3	2.0	5.9	6.8
Sydney City	9.0	8.9	8.9	10.2	4.6	5.5	**	0.0	5.9	6.4
Remainder	**	**	7.7	12.0	4.7	5.8	**	**	5.8	8.2
Kentville CA	6.9	1.7	4.2	4.5	2.8	3.4	1.7	1.6	3.4	3.5
New Glasgow CA	1.0	5.1	2.5	7.1	2.2	3.5	9.8	**	2.5	4.5
Truro CA	4.3	3.9	2.5	3.0	1.4	1.8	1.9	3.4	1.9	2.3
Nova Scotia 10,000+	**3.8**	**3.2**	**2.3**	**3.2**	**3.3**	**3.7**	**3.2**	**3.4**	**3.0**	**3.4**

Private Apartment Average Rents ($) by Bedroom Type Province of Nova Scotia

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
Halifax CMA	560	552	612	626	747	762	1,014	946	705	709
Cape Breton CA	402	**	474	452	562	556	**	661	534	530
Sydney City	400	**	480	464	570	566	**	**	542	542
Remainder	**	**	463	427	540	527	**	**	509	495
Kentville CA	380	408	461	466	558	553	802	693	536	528
New Glasgow CA	362	357	443	443	508	560	**	**	480	517
Truro CA	379	378	467	490	618	628	641	675	564	579
Nova Scotia 10,000+	**532**	**532**	**592**	**608**	**711**	**726**	**973**	**912**	**677**	**683**

Number of Private Apartment Units Vacant and Universe in October 2005 by Bedroom Type Province of Nova Scotia

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total
Halifax CMA	73	2,605	399	14,217	652	17,609	103	2,870	1,226	37,302
Cape Breton CA	15	168	54	502	68	1,214	3	164	140	2,048
Sydney City	13	148	35	347	49	885	0	142	97	1,523
Remainder	**	**	19	155	19	329	**	**	43	525
Kentville CA	1	61	16	363	29	862	1	62	48	1,348
New Glasgow CA	4	86	23	317	25	715	**	**	52	1,148
Truro CA	4	92	20	665	25	1,368	3	102	51	2,227
Nova Scotia 10,000+	**97**	**3,011**	**512**	**16,064**	**798**	**21,769**	**111**	**3,229**	**1,517**	**44,073**

Private Apartment Availability Rates (%) by Bedroom Type Province of Nova Scotia

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
Halifax CMA	4.2	3.6	2.8	3.6	4.4	4.4	4.9	4.7	3.9	4.1
Cape Breton CA	n/a	9.1	n/a	11.0	n/a	6.2	n/a	2.0	n/a	7.3
Sydney City	n/a	8.9	n/a	10.2	n/a	6.4	n/a	0.0	n/a	6.9
Remainder	n/a	**	n/a	12.8	n/a	5.8	n/a	**	n/a	8.4
Kentville CA	n/a	1.7	n/a	6.4	n/a	4.1	n/a	3.2	n/a	4.6
New Glasgow CA	n/a	5.1	n/a	9.5	n/a	4.4	n/a	**	n/a	5.8
Truro CA	n/a	3.9	n/a	3.3	n/a	2.4	n/a	5.7	n/a	2.9
Nova Scotia 10,000+	**4.2**	**3.9**	**2.8**	**4.0**	**4.4**	**4.4**	**4.9**	**4.5**	**3.9**	**4.2**

** : 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 Nova Scotia housing market, please call our **Client Service Department** at (902) 426-4708 or e-mail us at **mmerrick@cmhc-schl.gc.ca** .

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

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.

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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