



AST FAX

RENTAL MARKET REPORT *Red Deer*

Canada Mortgage and Housing Corporation

Apartment Vacancies Rise in 2002

November 26th, 2002

After several years of tight vacancy rates in Red Deer, apartment accommodations became more readily available according to results released today from Canada Mortgage and Housing Corporation's annual Rental Market Survey. The total apartment vacancy rate rose to 4.0 per cent, nearly 3 percentage points higher than the previous year.

With mortgage rates nearing 40-year lows, several renters were enticed into homeownership in 2002. In addition there were new projects that were completed in the year. Both of these factors contributed to the rise in unoccupied units across all bedroom types. Vacancy rates in 3-bedroom + units increased more than any other bedroom type, reaching 5.6 percent in 2002, a increase of 5 percentage points over the previous year.

Apartment owners only modestly increased their rents to remain competitive with mortgage payments, as low mortgage rates have created more affordable opportunities for renters wishing to enter into homeownership. The average rent for one and two bedroom apartments increased 1.5 and 1.3 per cent respectively, reaching \$540 and \$644 per month. The overall average apartment rent rose to \$600 per month, up 1.4 per cent from last year.

The majority of Red Deer's apartment universe consists of one and two bedroom apartments, which account for 92 per cent of the apartment supply. This year, the rental apartment universe increased by 25 units, ending up at 4,736 dwellings. The increase in universe size coupled with the popularity of homeownership caused the vacancy rate increase in 2002.

Canada Mortgage and Housing Corporation conducts the Rental Market Survey annually in October in all Census Metropolitan Areas and urban centres of 10,000 population or more.

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Note: Data are on 2001 census area definitions

** - Not Available, N/A - Not Applicable, N/U - Not in Universe

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Apartment Vacancy Rates (%)	2001	2002
Bachelor	2.8	5.2
1 Bedroom	0.9	4.1
2 Bedroom	1.1	3.8
3 Bedroom and +	0.6	5.6
Total	1.1	4.0

Average Apartment Rents (\$)	2001	2002
Bachelor	450	455
1 Bedroom	532	540
2 Bedroom	636	644
3 Bedroom and +	697	733
Total	592	600

Apartment Units (2002)	Vacant	Total
Bachelor	11	212
1 Bedroom	72	1,766
2 Bedroom	98	2,568
3 Bedroom and +	11	190
Total	191	4,736



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