



FAST FAX

RENTAL MARKET REPORT

Guelph

Canada Mortgage and Housing Corporation

NOVEMBER 2003

Guelph Rental Market Softens Further in 2003

NOVEMBER 2003 - Continuing the trend recorded last year, the Guelph CA rental market continued to ease. According to the annual Rental Market Survey released by the Canada Mortgage and Housing Corporation (CMHC) the vacancy rate in the Guelph market increased significantly, rising to 3.9 per cent compared to 2.7 per cent in 2002. The market has changed considerably when compared to the one per cent vacancy rate recorded in 2001. Of a total of 6,706 apartment units, there were 259 vacant units.

The main factor driving vacancy rates higher continues to be the robust home ownership market. The resale market continues to move higher recording an eight per cent growth in sales year to date compared to last. With mortgage rates hitting rock bottom earlier in the year, many tenants made the jump from rental to homeownership thereby vacating rental units. In addition, household formation amongst young people is being hampered by limited employment opportunities. Full time employment in the 18 to 24 age group has shown little growth in recent years.

With the vacancy rate trending higher, pressures on rents have begun to subside. After increasing by 4.8 per cent last year, rents increased by a much smaller 2.7 per cent in 2003 for the most numerous 2 bedroom units.

One bedroom units showed even a more marked drop with rents essentially remaining unchanged this year after increasing by 5.8 per cent last year. Pressure on rents should continue to ease going forward into 2004.

The rental market survey was conducted during the first two weeks of October 2003. **Call us for further information on rental markets for all Canadian cities (1-800-493-0059).**

Vacancy Rates by Apartment Type	2002	2003
Bachelor	6.7%	3.3%
1 Bedroom	3.0%	2.3%
2 Bedroom	2.1%	4.7%
3 Bedroom +	5.5%	5.7%
Total	2.7%	3.9%

Average Rents by Apartment Type	2002	2003
Bachelor	\$566	\$602
1 Bedroom	\$707	\$706
2 Bedroom	\$801	\$823
3 Bedroom +	\$918	\$927

Apartment Types	Vacant Units	Total Units
Bachelor	9	271
1 Bedroom	53	2,268
2 Bedroom	182	3,908
3 Bedroom +	15	259
Total	259	6,706

Survey covers private apartment buildings which have at least 3 units available to rent.

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Canada

Apartment Vacancy Rates by Zone and Bedroom Type

Guelph CA

Area	Bachelor		One Bedroom		Two Bedroom		Three Bedroom +		Total	
	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003
Zone 1 - Guelph (West)	**	**	4.1	3.3	4.0	6.7	6.4	**	4.2	5.6
Zone 2 - Guelph (South)	8.1	1.9	1.8	1.6	0.6	3.4	**	**	1.6	2.6
Zone 3 - Guelph (East)	0.0	**	3.4	1.7	0.7	2.1	**	**	1.6	2.4
GUELPH CA	6.7	3.3	3.0	2.3	2.1	4.7	5.5	5.7	2.7	3.9

Apartment Rents by Zone and Bedroom Type

Guelph CA

Area	Bachelor		One Bedroom		Two Bedroom		Three Bedroom +	
	2002	2003	2002	2003	2002	2003	2002	2003
Zone 1 - Guelph (West)	**	**	\$714	\$712	\$803	\$809	\$925	**
Zone 2 - Guelph (South)	\$587	\$634	\$727	\$730	\$834	\$884	**	**
Zone 3 - Guelph (East)	\$463	**	\$619	\$629	\$734	\$745	**	**
GUELPH CA	\$566	\$602	\$707	\$706	\$801	\$823	\$918	\$927

** Not released to ensure confidentiality and accuracy of survey results.