



News Release

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Vacancy rate decreases to 3.0%

According to CMHC, the average rental vacancy rate in major centres across Canada decreased from 3.4% in October 2016 to 3.0% in October 2017. Vacancy rates remain low in Ontario and BC, and elevated in Alberta and Saskatchewan.

CFAA President, John Dickie, says, “Despite low vacancy rates in Ontario and BC, the turnover and availability rates show that there is adequate access to rental housing in some form in almost all centres.”

New rental supply in many centres

In many centres some new purpose-built rental housing has come on stream, but it has not kept up with the increase in demand between October 2016 and October 2017. For example, in Ontario Census Metropolitan Areas, 8,550 apartments were added to a stock of 637,800, an increase of 1.3%. In BC, 1,650 rental apartments were added to a stock of 171,125, an increase of 1%. Those additions are generally the smaller part of the increase in the rental supply.

In Vancouver, 1,840 rental condos were also added to the rental supply, increasing the supply of rental condos to 59,930, an increase of 3% in that part of the rental stock. In Toronto, 7,170 rental condos were added to the rental supply, increasing the supply of rental condos to 123,855, an increase of 6%.

Outside of Atlantic Canada, condos have become a significant source of rental supply, and that stock is expanding rapidly. In Ontario and the West, between 22% and 38% of all condos in each major centre are rented to tenants, up from last year. The proportions of all condos rented in major centres in October 2017 are: Ottawa 30%, London 31%, Toronto 33%, Winnipeg 22%, Calgary 34%, Edmonton 38% and Vancouver 26%.

The secondary rental market

Growth is also taking place in the rest of the secondary rental market in most cities, with an increase in the number of rented houses, doubles, duplexes and accessory suites. In most centres the “secondary market” of condos, rented houses, doubles, duplexes and accessory suites makes up 40% to 50% or more of the total rental supply. The secondary market provides a flexible housing supply, which is often lower priced than the primary market.

Conclusion

As rental demand grows, more rental supply is needed, and particularly more purpose-built rental supply. CFAA Chair David Hutniak says, “The federal government needs to look seriously at its tax policy for rental buildings, while the provinces and cities need to look hard at their development charges and delays in planning approvals. Those are the factors holding back much-needed purpose-built rental supply.”

For more information, contact: John Dickie, President, CFAA (613) 235-0101, or e-mail president@cfaa-fcapi.org.