

RELEASE

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Apartment vacancy rates lower in most Alberta rental markets

Calgary, December 13, 2011 – According to Canada Mortgage and Housing Corporation's (CMHC) Fall Rental Market Survey, the average vacancy rate¹ for privately-initiated rental apartments in Alberta's urban centres² declined to 3.4 per cent in October 2011, compared to 4.6 per cent in the previous year.

"The reduction in vacancy rates is largely attributed to increased employment levels and recent gains in inter-provincial migration," said CMHC Senior Market Analyst, Richard Cho.

The apartment vacancy rate in the Calgary Census Metropolitan Area (CMA) decreased to 1.9 per cent in 2011, compared to 3.6 per cent in October 2010. Meanwhile, in the Edmonton CMA, the apartment vacancy rate declined from 4.2 per cent in October 2010 to 3.3 per cent this year. "A strengthening economy has improved labour market conditions in both Calgary and Edmonton, resulting in improved job creation, an inflow of new migrants, and strengthening the demand for rental units," noted Richard Goatcher, CMHC's Senior Market Analyst for Edmonton.

The highest vacancy rate in the fall survey occurred in the Medicine Hat and Wood Buffalo Census Agglomerations (CAs). The apartment vacancy rate in Medicine Hat decreased slightly from 10.1 per cent in October 2010 to 9.4 per cent in October 2011. Medicine Hat's vacancy rate remained elevated as the centre continues to be affected by a slowdown in natural gas drilling activity. Wood Buffalo's vacancy rate increased from 5.5 per cent in October 2010 to 9.4 per cent in October 2011. The rise in vacancies in Wood Buffalo was attributed to an increase in work camps and additional secondary rental units which drew prospective renters away from the traditional rental market. The lowest apartment vacancy rates in October 2011 were reported in the Canmore and Okotoks CAs, both at 0.0 per cent.

Given the reduction in apartment vacancies, same-sample rents³ for two-bedroom apartments increased across Alberta's urban centres by 1.3 per cent between the two October surveys. In the Calgary CMA, same-sample rents for two-bedroom apartments increased 1.9 per cent from October 2010 to October 2011, while Edmonton recorded a gain of 0.9 per cent during the same period. Including new and existing structures, Calgary's average two-bedroom apartment rent was \$1,084 in October 2011 compared to \$1,069 one year earlier. Meanwhile, in the Edmonton CMA, an average two-bedroom apartment rented for \$1,034 per month in October 2011, representing a \$19 per month increase over the \$1,015 average reported in the previous October survey.

¹ Based on privately-initiated rental apartment structures of three or more units.

² Urban centres are defined as centres with a population of 10,000 or more. Census Metropolitan Areas (CMA) and Census Agglomerations (CA) are based on Statistics Canada's definition.

³ CMHC provides estimates of percentage change of average rents based on structures common to the October 2010 and 2011 surveys. By excluding rents of newly-built apartment buildings, these estimates represent a measure of the market movement in rents.

Among the province's urban centres, Cold Lake and Grande Prairie recorded the strongest increase in same-sample two-bedroom apartment rents from October 2010 to 2011, up 7.3 and 6.1 per cent respectively. This coincided with two of the strongest reductions in vacancy rates across the province. Wood Buffalo reported the strongest reduction in same-sample two-bedroom rents, down 6.3 per cent from the previous year as fewer furnished suites were offered from the previous survey.

Despite the reduction in same-sample rents, Wood Buffalo retained its position as having the highest rent in the province. In new and existing structures, the two-bedroom apartment rent in Wood Buffalo averaged \$2,049 per month this October, down from \$2,210 in October 2010. The lowest average rent for a two-bedroom apartment was in Medicine Hat at \$698 per month, up from \$691 in October 2010.

As Canada's national housing agency, CMHC draws on more than 65 years of experience to help Canadians access a variety of quality, environmentally sustainable and affordable housing solutions. CMHC also provides reliable, impartial and up-to-date housing market reports, analysis and knowledge to support and assist consumers and the housing industry in making informed decisions.

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For more information, please contact:

Richard Cho, Senior Market Analyst, Calgary Office
(403) 515-2996
rcho@cmhc-schl.gc.ca

Richard Goatcher, Senior Market Analyst, Edmonton Office
(780) 423-8729
rgoatche@cmhc-schl.gc.ca

1.1.1 Private Apartment Vacancy Rates (%) by Bedroom Type Alberta

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11
Calgary CMA	4.1 b	1.9 b	3.0 a	1.8 a	4.2 a	2.0 a	5.3 b	3.3 c	3.6 a	1.9 a
Edmonton CMA	4.5 a	2.7 a	4.1 a	3.5 a	4.2 a	3.2 a	3.7 a	3.4 a	4.2 a	3.3 a
Brooks CA	**	0.0 a	15.7 d	5.4 a	8.6 b	7.7 a	14.3 d	10.7 d	10.6 c	7.3 a
Camrose CA	**	0.0 a	7.5 a	9.4 c	7.2 a	6.7 c	0.0 a	3.8 a	7.1 a	7.3 c
Canmore CA	**	**	0.0 a	0.0 a	0.0 a	0.0 c	10.0 a	**	1.2 a	0.0 c
Cold Lake CA	**	**	5.6 a	2.3 a	5.7 a	0.0 a	8.7 a	0.0 a	5.8 a	0.9 a
Grande Prairie CA	8.8 c	4.3 b	5.4 a	2.0 a	12.2 a	4.9 b	21.7 a	3.7 c	10.5 a	3.9 a
High River T	n/u	n/u	1.6 a	3.5 d	1.8 a	2.6 a	0.0 a	0.0 a	1.6 a	2.7 a
Lacombe T	**	**	**	3.2 a	**	7.3 a	**	0.0 a	11.6 d	5.7 a
Lethbridge CA	3.9 a	8.6 b	4.9 a	4.9 a	3.9 a	8.1 a	1.7 a	2.4 a	4.1 a	6.8 a
Medicine Hat CA	15.6 a	17.3 a	5.8 a	7.5 a	11.9 a	9.8 a	13.4 a	13.7 a	10.1 a	9.4 a
Okotoks CA	**	**	**	**	**	**	0.0 a	0.0 a	2.1 a	0.0 a
Red Deer CA	9.4 c	0.4 a	5.1 b	2.5 a	9.0 a	3.9 a	5.9 b	3.6 a	7.5 a	3.2 a
Strathmore T	**	**	**	**	5.4 a	8.0 a	12.8 a	2.6 a	8.1 a	5.9 a
Sylvan Lake T	**	**	3.4 a	3.2 a	0.0 a	5.1 a	0.0 a	6.3 a	0.9 a	5.0 a
Wetaskiwin CA	**	0.0 a	4.7 a	7.9 a	5.6 a	5.6 a	**	**	5.5 a	6.1 a
Wood Buffalo CA	0.0 a	0.0 a	4.8 a	11.0 a	6.2 a	8.3 a	1.7 a	15.9 a	5.5 a	9.4 a
Alberta 10,000+ (2)	4.8 a	2.7 a	3.9 a	3.1 a	5.1 a	3.6 a	5.1 a	4.0 a	4.6 a	3.4 a

²Does not include Alberta portion of Lloydminster CA. For Lloydminster CA data, refer to Saskatchewan Highlights report.

The following letter codes are used to indicate the reliability of the estimates:

a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)

** Data suppressed to protect confidentiality or data is not statistically reliable

++ change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0)

n/u: No units exist in universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

I.1.2 Private Apartment Average Rents (\$) by Bedroom Type Alberta

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11
Calgary CMA	709 a	705 a	894 a	899 a	1,069 a	1,084 a	1,057 a	1,077 a	969 a	978 a
Edmonton CMA	708 a	713 a	843 a	857 a	1,015 a	1,034 a	1,171 a	1,191 a	917 a	934 a
Brooks CA	527 a	539 a	654 a	671 a	771 a	748 a	765 a	757 b	744 a	730 a
Camrose CA	**	582 a	652 a	641 a	809 a	813 a	873 a	833 a	761 a	762 a
Canmore CA	**	n/s	785 a	786 a	963 a	925 a	1,067 c	1,129 c	907 a	895 a
Cold Lake CA	**	**	994 a	1,006 a	1,094 a	1,162 a	1,119 a	1,163 a	1,048 a	1,091 a
Grande Prairie CA	633 a	650 a	714 a	764 a	843 a	891 a	940 a	946 a	798 a	845 a
High River T	n/u	n/u	751 a	730 a	829 a	827 a	**	**	804 a	794 a
Lacombe T	**	**	614 b	629 a	746 a	764 a	874 b	856 a	718 a	732 a
Lethbridge CA	556 a	591 a	734 a	763 a	845 a	872 a	865 b	941 a	792 a	824 a
Medicine Hat CA	538 a	543 b	586 a	589 a	691 a	698 a	775 a	778 a	657 a	663 a
Okotoks CA	**	**	**	**	**	**	986 a	1,017 a	851 a	951 a
Red Deer CA	592 a	548 a	706 a	696 a	817 a	823 a	933 a	916 a	770 a	764 a
Strathmore T	**	**	**	**	846 a	825 a	889 a	873 a	837 a	824 a
Sylvan Lake T	**	**	623 a	625 a	715 a	827 a	736 a	788 a	692 a	799 a
Wetaskiwin CA	**	490 a	676 a	655 a	789 a	807 a	**	**	752 a	761 a
Wood Buffalo CA	1,405 a	1,406 a	1,792 a	1,694 a	2,210 a	2,049 a	2,525 a	2,270 a	2,094 a	1,949 a
Alberta 10,000+ (2)	702 a	703 a	861 a	869 a	1,036 a	1,044 a	1,137 a	1,152 a	943 a	951 a

²Does not include Alberta portion of Lloydminster CA. For Lloydminster CA data, refer to Saskatchewan Highlights report.

The following letter codes are used to indicate the reliability of the estimates (cv = coefficient of variation):

a – Excellent ($0 \leq cv \leq 2.5$), b – Very good ($2.5 < cv \leq 5$), c – Good ($5 < cv \leq 7.5$)

d – Fair (Use with Caution) ($7.5 < cv \leq 10$)

** Data suppressed to protect confidentiality or data is not statistically reliable

n/u: No units exist in universe for this category n/s: No units exist in the sample for this category n/a: Not applicable