

# Alberta's apartment vacancy rate **lowest of all provinces**

Migration combined with high costs mean **very low inventory**

CMHC News

According to the results of Canada Mortgage Housing Corporation's (CMHC) Spring Rental Market Survey, the vacancy rate in privately initiated rental apartments in Alberta centres with a population of at least 10,000 stood at 0.9% during April 2007.

"This represents the lowest vacancy rate of any province in Canada," noted Richard Corriveau, CMHC's Regional Economist for the Prairie and Territories region.

The total average rent in Alberta was \$847 per month, slightly lower than Ontario's \$869 per month, which was the highest of all provinces in Canada.

Demand for rental suites continues to be fuelled by a strong economy and robust population growth.

Alberta's economy expanded at a rapid 6.8% in 2006 and employment grew by more than 86,000 jobs. The employment opportunities generated in Alberta have drawn a record 86,000 net migrants to the province during 2006 and an additional 73,000 net migrants are forecasted to arrive in Alberta this year.

"The large influx of people to Alberta combined with escalating home

ownership costs has helped absorb most of the available apartment rental units," said Corriveau.

The total average apartment vacancy rate in the Calgary Census Metropolitan Area (CMA) was 0.5%, the lowest of any CMA in Canada.

"With the economy continuing to generate jobs, a lot more people are coming to Calgary than leaving," remarked Lai Sing Louie, CMHC senior market analyst for Calgary. "This high level of net migration is expected to keep the vacancy rate low in Calgary, this year and next.

Meanwhile, the average apartment vacancy rate was 1.1% in the Edmonton CMA.

"The vacancy rate is not expected to rise over the next few years," remarked Richard Goatcher, CMHC's senior market analyst for Edmonton.

"With Edmonton experiencing elevated levels of migration and escalating prices in the home ownership market, the vacancy rate is expected to drift downward through 2008.

The rental markets in Alberta's 11 Census Agglomerations (CAs) were also tight, the total average vacancy rate ranged from 2.4% in Brooks to 0% in Canmore, Okotoks and Wetaskiwin.

Alberta had three of the six urban centres in Canada where zero vacancies were reported.

The April 2007 rental survey found

Alberta's average rent for a two-bedroom unit to be \$932 per month. The highest average rent for a two-bedroom apartment was in Wood Buffalo at \$1,681, followed by Grande Prairie with an average of \$1,094 per month.

The lowest average two-bedroom apartment rent was found in Wetaskiwin at \$621 per month, followed by Medicine Hat at \$630. Alberta's two largest cities, Calgary and Edmonton, reported average two-bedroom apartment rents of \$1,037 and \$877, respectively.

—CMHC is the Government of Canada's national housing agency and reports on new housing starts on a monthly basis

## Calgary Census Metropolitan Area – Housing Starts

	Single	Multiple	Total
March 2007	561	681	1,242
March 2006	790	880	1,670
% Change	-29.0	-22.6	-25.6
Year-to-date 2007	1,717	1,057	2,774
Year-to-date 2006	2,487	1,357	3,844
% Change	-31.0	-22.1	-27.8