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Rising Homeownership Costs Drive Rental Demand

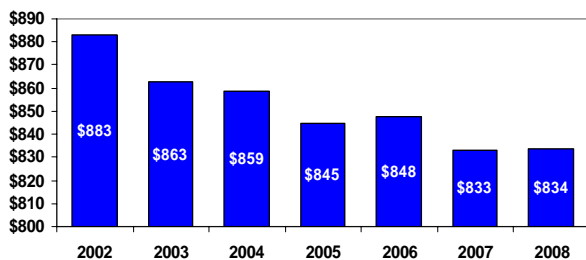
For Immediate Release (Toronto) –Canada Mortgage and Housing Corporation today released its October 2008 Rental Market Survey data. “Today’s data demonstrates that the escalating costs of owning a home are calling attention to the value of renting”, said Vince Brescia, President of FRPO. “There continues to be an abundance of choice for renters in the marketplace as availability remains high” said Brescia.

The survey shows that the Ontario-wide vacancy rate dropped from 3.3 percent last year to 2.7 percent. Rising home ownership costs and increasing economic uncertainty are the factors cited by CMHC behind the change. The availability rate, a better indicator of rental apartment availability, also remained high at 4.3%. Affordability is improving, and rental housing consumers have choice and availability.

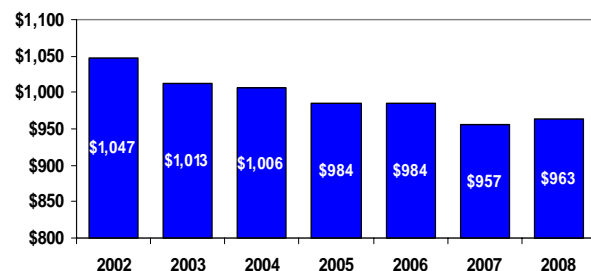
CMHC’s data also shows that Ontario rents increased modestly this year. However, they have still declined substantially in real terms from \$883 in 2002, to \$834 in 2008 (in constant \$2002). At the same time, the cost of homeownership continued to rise. The net impact has been to open up a dramatic gap between the cost of owning and the cost of renting. CMHC also indicated that average 2-bedroom rents failed to match the 2.6% increase in the cost-of living index.

For tenants, rents in Ontario compare favourably to the average monthly rents for two-bedroom apartments in cities such as Calgary (\$1,148) or Vancouver (\$1,124).

Real Rents in Ontario (October) 2-Bedroom Units
2002-2008



Real Rents in Toronto (October) 2-Bedroom Units
2002-2008



A detailed table of vacancy rate and average rent changes are provided in the table on the next page.

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Rental Market Indicators
Privately Initiated Apartment Structures of Three Units and Over
Provinces and Major Centres¹

Centres	Vacancy Rates (%)		Availability Rates (%)		Average Rent (\$) 2- Bedroom New and Existing		Percentage Change in Average Rent 2 Bedroom Fixed Sample	
	Oct 07	Oct 08	Oct 07	Oct 08	Oct 07	Oct 08	Oct 06to Oct 07	Oct 07 to Oct 08
Ontario 10,000+	3.3	2.7	5.1	4.3	924	948	1.6	1.9
Barrie CMA	3.2	3.5	4.1	6.0	934	954	1.3	4.7
Brantford CMA	2.9	2.4	4.6	2.8	749	752	2.0	2.7
Greater Sudbury CMA	0.6	0.7	1.3	1.6	749	800	7.7	5.6
Guelph CMA	1.9	2.3	3.4	4.5	848	869	1.6	1.6
Hamilton CMA	3.5	3.2	5.8	4.9	824	836	1.2	1.5
Kingston CMA	3.2	1.3	4.6	2.6	856	880	2.0	3.1
Kitchener CMA	2.7	1.8	4.9	4.3	829	845	1.6	0.9
London CMA	3.6	3.9	5.3	6.4	816	834	2.3	1.2
St. Catharines-Niagara CMA	4.0	4.3	5.7	6.8	765	777	1.8	2.1
Oshawa CMA	3.7	4.2	5.5	5.7	877	889	1.4	1.2
Ottawa CMA (Ont. Part)	2.3	1.4	3.8	2.9	961	995	2.0	3.7
Peterborough CMA	2.8	2.4	4.7	4.3	822	850	2.2	2.0
Thunder Bay CMA	3.8	2.2	4.4	2.7	709	719	2.2	1.3
Toronto CMA	3.2	2.0	5.0	3.7	1061	1095	1.0	1.7
Windsor CMA	12.8	14.6	14.4	16.8	773	772	++	++

++: Data suppressed or unreliable.

Source: Canada Mortgage and Housing Corporation.