



December 16, 2009

Ontario Vacancy Rate Increases

For Immediate Release (Toronto) –Canada Mortgage and Housing Corporation (CMHC) today released its October 2009 Rental Market Survey data. “Today’s data illustrates the impact of the economic downturn on rental demand”, said Vince Brescia, President of FRPO. “There is an abundance of choice for renters in the marketplace, as vacancy and availability have substantially increased” said Brescia.

The CMHC October 2009 rental survey indicates a big increase in vacancy rates in Ontario, from 2.7% in 2008 to 3.5% in 2009. Average 2-bedroom rents in new and existing structures increased from \$948 to \$955 in 2009, \$7/month or about 0.7%.

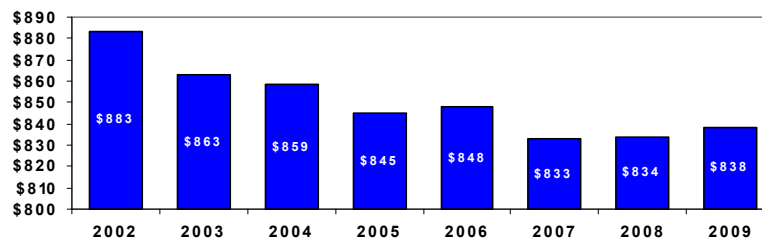
According to CMHC, the economic downturn in industrial areas, softer employment conditions and lower homeownership costs have resulted in a decrease in rental demand. A decline in Ontario’s share of new immigrants to Canada also reduced rental demand.

The survey shows that the Ontario-wide vacancy rate is the highest it has been in the last four years. Ontario’s average availability rate, which includes vacant units plus units where an existing tenant has given notice to move, increased to 5.5% from 4.3% last year.

Rent are declining in real terms. For example, average 2-bedroom rents in the Toronto CMA increased nominally only \$1/month year-over-year, to \$1,096.

“Above average vacancy rates are keeping rents within the provincial guiseline”, said Brescia. “With the implementation of the 13% HST in Ontario next year, landlords will continue to face significant cost increases that they cannot pass on to tenants, resulting in reduced investment in rental housing supply and quality”.

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



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

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5-Year Trend**Average Vacancy Rates-Privately Initiated Apartment Structures, 3 units and over**

CMA	Oct 2005	Oct 2006	Oct 2007	Oct 2008	Oct 2009
Barrie	n/a	n/a	3.2%	3.5%	3.8%
Guelph	n/a	n/a	1.9%	2.3%	4.1%
Hamilton	4.3%	4.3%	3.5%	3.2%	4.0%
Kingston	2.4%	2.1%	3.2%	1.3%	1.3%
Kitchener	3.3%	3.3%	2.7%	1.8%	3.3%
London	4.2%	3.6%	3.6%	3.9%	5.0%
Oshawa	3.3%	4.1%	3.7%	4.2%	4.2%
Ottawa	3.3%	2.3%	2.3%	1.4%	1.5%
St.Catharines/Niagara	2.7%	4.3%	4.0%	4.3%	4.4%
Sudbury	1.6%	1.2%	6.0%	0.7%	2.9%
Thunder Bay	4.6%	4.9%	3.8%	2.2%	2.3%
Toronto	3.7%	3.2%	3.2%	2.0%	3.1%
Windsor	10.3%	10.0%	12.8%	14.6%	13.0%
Ontario Average	3.8%	3.4%	3.3%	2.7%	3.5%