

RELEASE

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Apartment Vacancies Decline in Saskatchewan

Calgary, December 14, 2006 – According to results of the annual Canada Mortgage and Housing Corporation (CMHC) Rental Market Survey conducted in October, the average vacancy rate for privately-initiated rental apartments in Saskatchewan’s urban centres declined by 1.2 percentage points from October 2005 to October 2006. “At 3.2 per cent, this represents the lowest rate of vacancy in Saskatchewan in six years,” noted Richard Corriveau, CMHC’s Regional Economist for the Prairies and Territories region. With the decline in vacancies, the average rent for a two-bedroom apartment climbed to \$601 per month this year, up from \$579 in 2005. “Higher commodity prices and exploration in Saskatchewan’s natural resource sector have spurred tighter rental market conditions, as they have contributed to a record low unemployment rate and lower out-migration in Saskatchewan,” noted Corriveau.

In Saskatchewan’s two Census Metropolitan Areas (CMAs), both the Regina and Saskatoon CMAs recorded higher rents in 2006, though the average vacancy rate was only lower in Saskatoon. “In Saskatoon, the rising cost of homeownership combined with rising in-migration drove the vacancy rate down 1.4 percentage points since 2005, reaching 3.2 per cent this year,” said Corriveau. The increased rental demand has pushed the average rent for a two-bedroom unit up to \$608 per month in 2006.

By excluding the impact of new structures built since the last survey and conversions from the calculation, we can get a better indication of the rent increase in existing structures. For the Saskatoon and Regina CMAs, the average rent for a two-bedroom apartment in existing structures increased by 4.0 per cent and 2.0 per cent respectively in October 2006 compared to a year ago.

While the vacancy rate fell in Saskatoon, apartment vacancies in the Regina CMA were modestly higher than in 2005, increasing from 3.2 per cent in 2005 to 3.3 per cent this year. “This represents the highest vacancy rate for Regina in 13 years,” Corriveau claimed. Despite the increase in vacancies, average two-bedroom rents in Regina were higher in 2006 after a negligible increase last year. At \$619 per month, the average two-bedroom rent in Regina was the second highest paid in the province.

Among Saskatchewan’s seven Census Agglomerations (CAs), vacancy rates decreased in all but one market. Moose Jaw was the only CA to report an increase, with the average vacancy rate rising 0.9 percentage points to 4.7 per cent, the highest in five years. Despite the increase, Moose Jaw did not record the highest vacancy rate among CAs, as Yorkton reported a rate of 5.9 per cent. Lloydminster, meanwhile, reported the lowest vacancy rate in the province, falling from 0.7 per cent in 2005 to 0.2 per cent this year. North Battleford reported the largest decline in vacancies with the average rate dropping

7.4 percentage points to 4.4 per cent in 2006. This represents the lowest vacancy rate on record for North Battleford. Prince Albert also reported a marked decline in vacancies, down 4.9 percentage points since 2005 to 2.9 per cent this year. This was the first time since 1999 that Prince Albert's vacancy rate was below three per cent. Estevan, Lloydminster and Swift Current also reported average vacancy rates of less than three per cent in 2006.

The average rent for a two-bedroom apartment rose in each of the seven CAs. With a vacancy rate of 0.2 per cent, Lloydminster landlords raised rents for two-bedroom apartments to \$710 per month, the highest average rent in the province. Despite the sharp decline in vacancies in Prince Albert, the average rent for a two-bedroom apartment increased to just \$506 from the \$503 found in the 2005 survey. Meanwhile, rents increased in North Battleford, Swift Current and Estevan, where the average rent for a two-bedroom unit was \$483, \$501 and \$584, respectively.

With the release of the 2006 Rental Market Survey results, CMHC advised its clients that starting in 2007, its Market Analysis Centre will be conducting a rental market survey in the spring, in addition to the one conducted in the fall. The results of the spring survey will be published in June and will provide centre-level information on key rental market indicators such as vacancy rates and average rents.

Canada Mortgage and Housing Corporation (CMHC) has been Canada's national housing agency for over 60 years. CMHC contributes to improving the living conditions and the well-being of Canadians through four areas of housing activities – housing finance, assisted housing, research and information transfer, and export promotion. CMHC is committed to helping Canadians access a wide choice of quality, affordable homes, and making vibrant and sustainable communities and cities a reality across the country. For more information, visit www.cmhc.ca or call 1 800 668-2642.

A more detailed analysis of the Regina and Saskatoon CMAs appear in the respective Rental Market Reports, available free for download at <http://www.cmhc.ca/housingmarketinformation>.

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1.1 - Private Apartment Vacancy Rates (%) by Bedroom Type - Saskatchewan										
Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006
Regina CMA	4.4	4.6	3.6	3.8	2.7	2.8	0.7	2.8	3.2	3.3
Saskatoon CMA	4.4	5.1	3.3	2.0	5.3	3.8	8.1	3.6	4.6	3.2
Estevan CA	27.3	8.3	3.0	0.6	2.0	1.5	0.0	0.0	3.2	1.4
Lloydminster CA	0.0	0.0	0.8	0.3	0.4	0.2	1.9	0.0	0.7	0.2
Moose Jaw CA	**	10.7	4.0	6.9	2.9	2.1	3.6	3.4	3.8	4.7
North Battleford CA	10.0	13.5	12.5	4.8	11.8	3.4	8.8	3.1	11.8	4.4
Prince Albert CA	12.1	5.2	7.6	2.5	7.4	2.3	9.1	6.1	7.8	2.9
Swift Current CA	4.3	10.2	2.1	4.1	3.4	1.4	9.2	0.0	3.5	2.7
Yorkton CA	11.9	11.9	8.3	4.3	7.4	6.6	5.7	2.9	8.0	5.9
Saskatchewan 10,000+	5.6	5.6	3.8	3.0	4.5	3.1	6.6	3.3	4.4	3.2

1.2 - Private Apartment Average Rents (\$) by Bedroom Type - Saskatchewan										
Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006
Regina CMA	368	376	505	515	607	619	701	729	547	559
Saskatoon CMA	374	395	477	496	584	608	629	639	536	556
Estevan CA	322	352	471	512	549	584	671	696	525	557
Lloydminster CA	406	467	540	581	634	710	711	782	601	663
Moose Jaw CA	314	349	428	441	551	566	479	483	486	499
North Battleford CA	303	308	373	382	460	483	533	546	424	442
Prince Albert CA	350	350	461	467	525	528	575	589	503	506
Swift Current CA	276	293	371	389	470	501	542	569	430	455
Yorkton CA	319	327	413	427	481	504	553	563	446	466
Saskatchewan 10,000+	362	377	481	497	579	601	624	645	531	549