

GTA Rental Market Update

January 2016

Dana Senagama

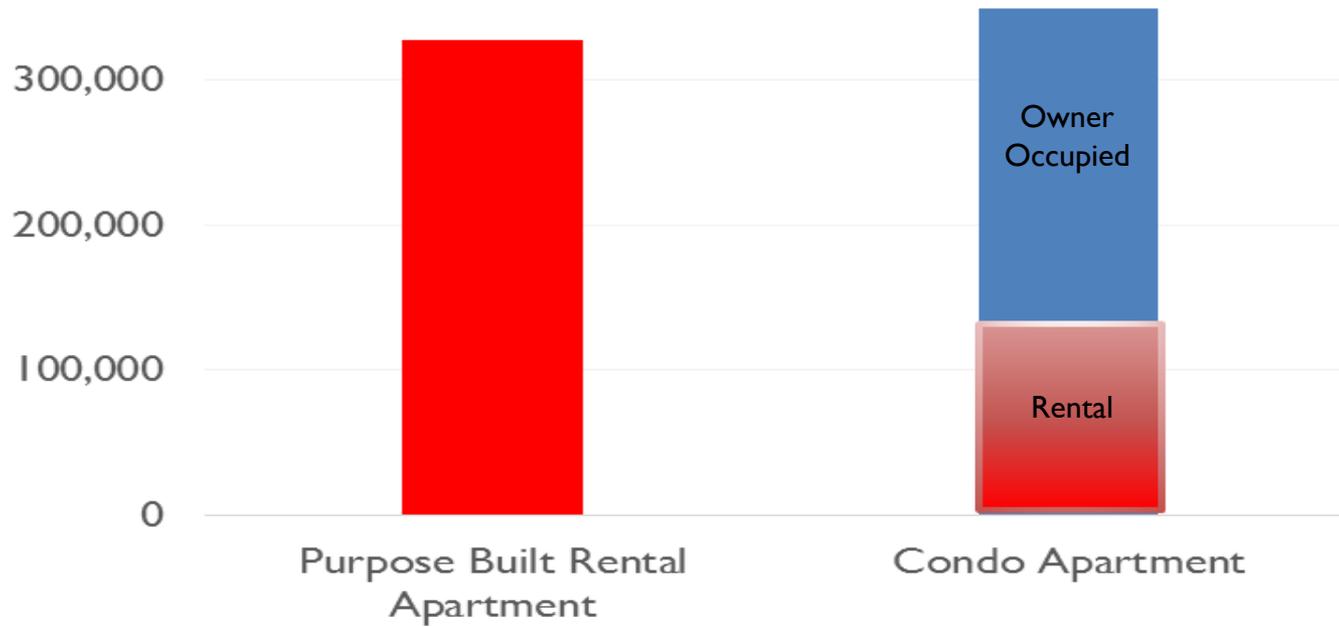
Principal, Market Analysis (GTA)



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2015 Apartment Stock

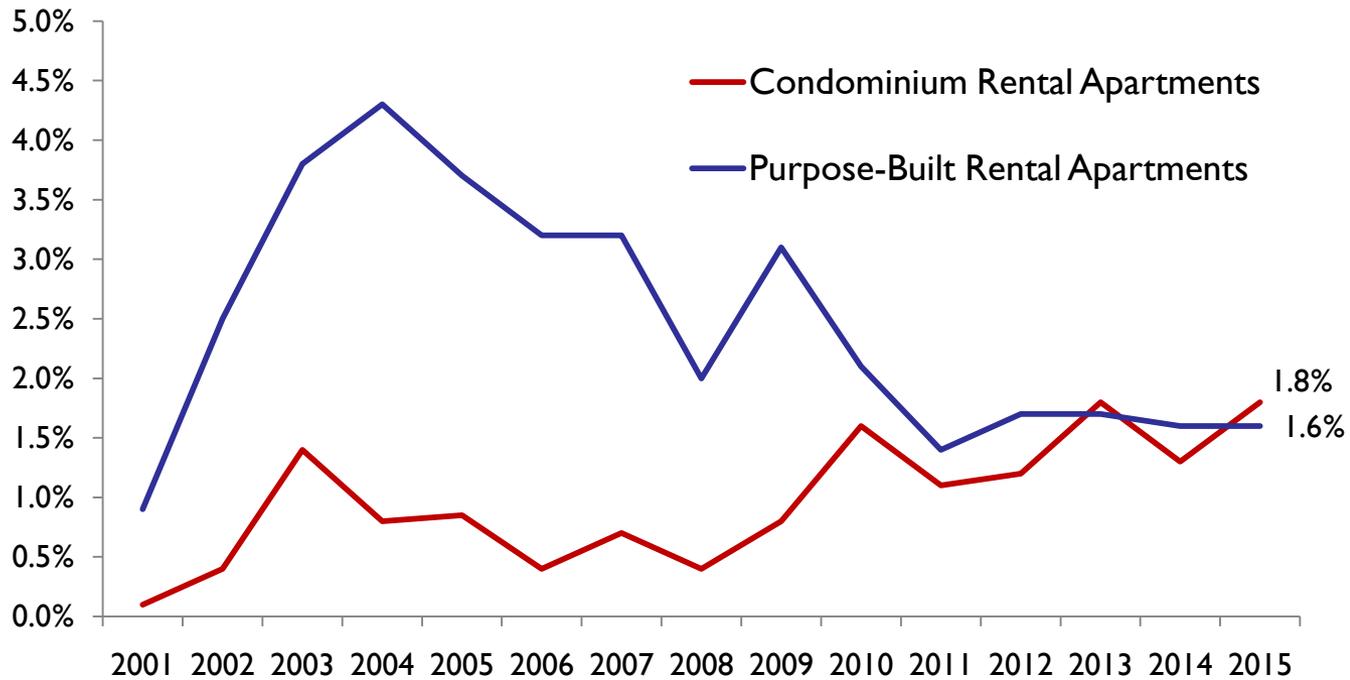
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Source: CMHC

Low Vacancy Rates Persist in GTA

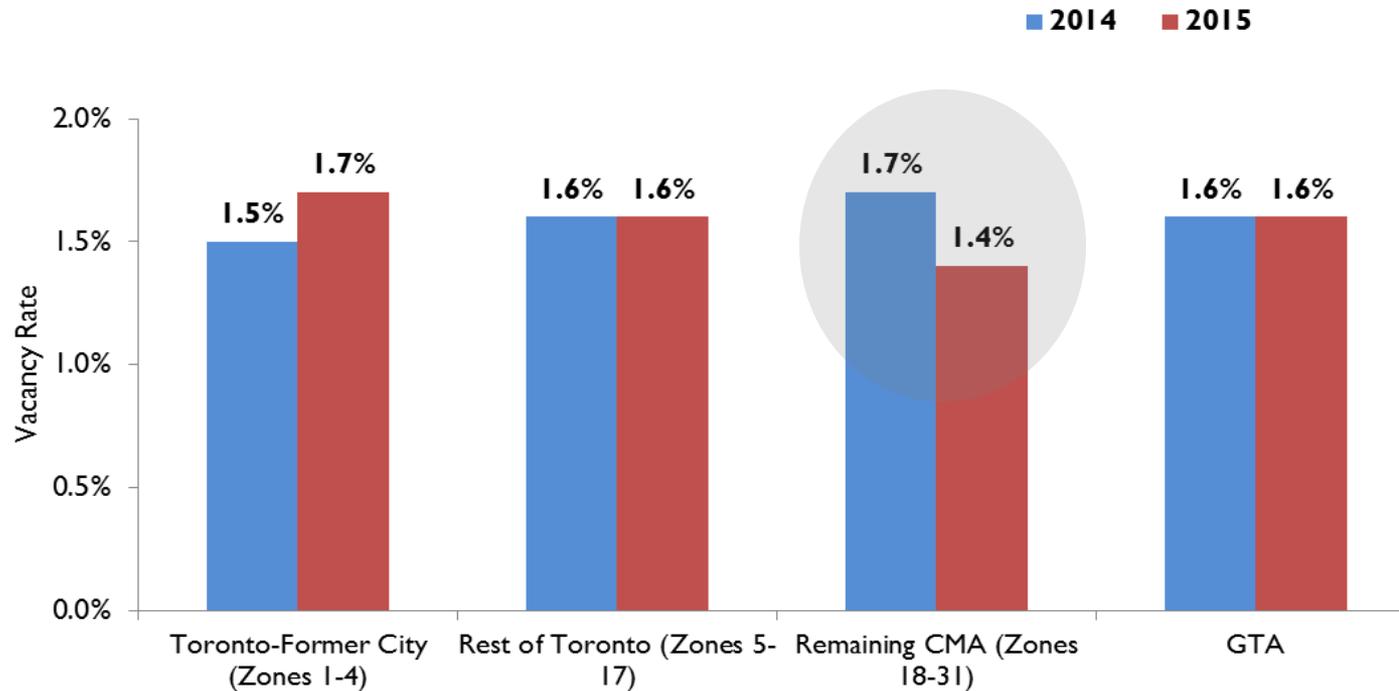
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Source: CMHC

Primary Vacancy Rate Tightens in 905 Area

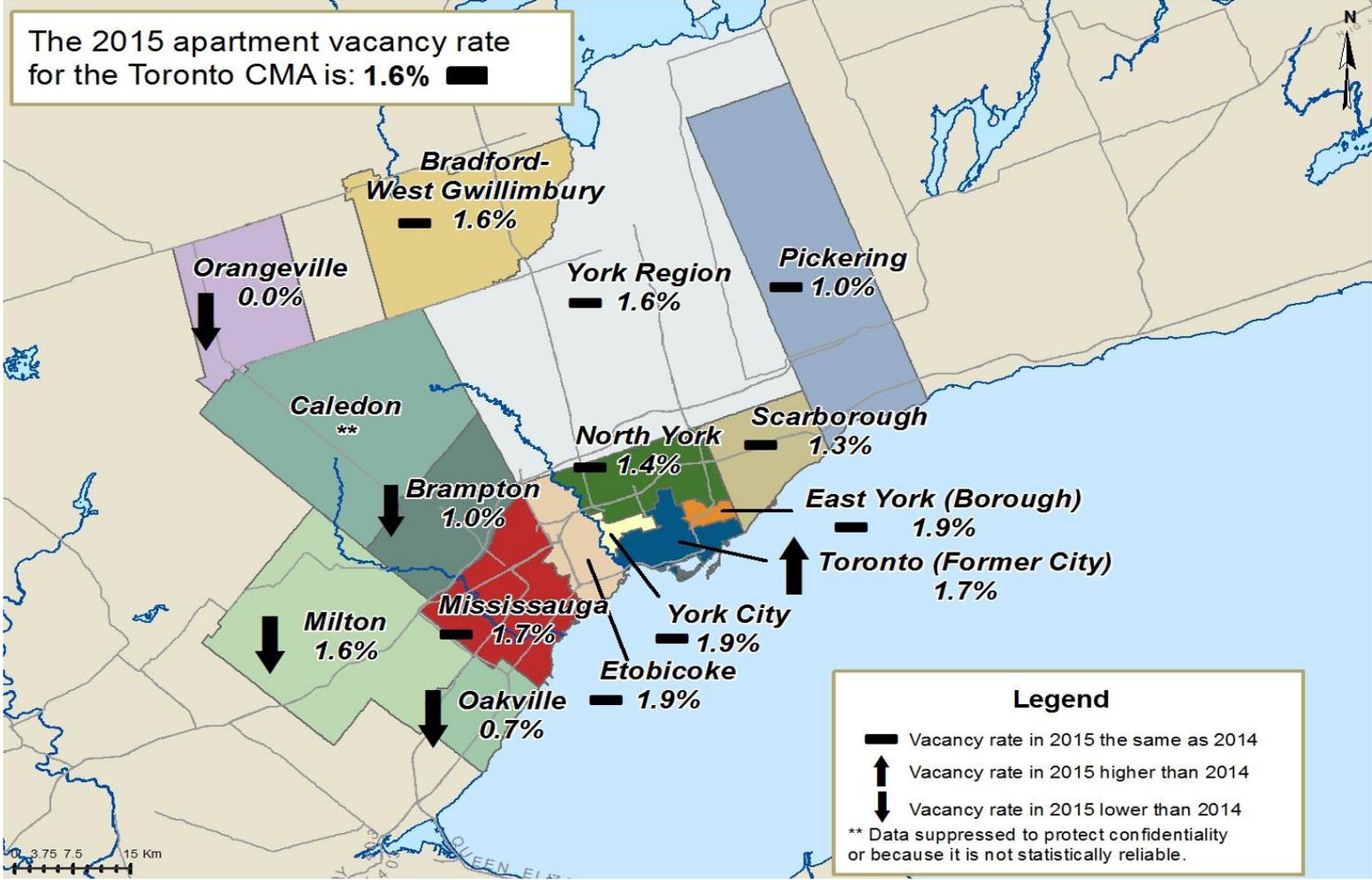
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Source: CMHC

Lower Vacancies in GTA West

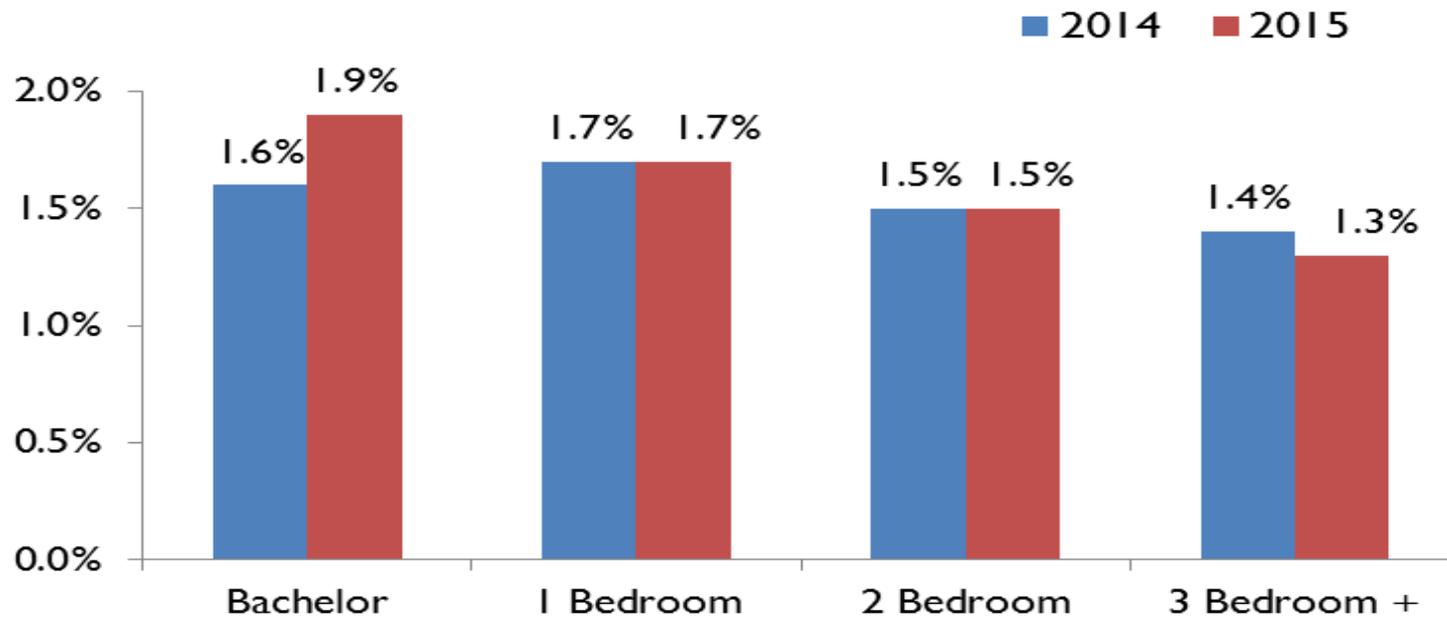
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Source: CMHC

Primary Vacancy Rates Are Lower for the Larger Units

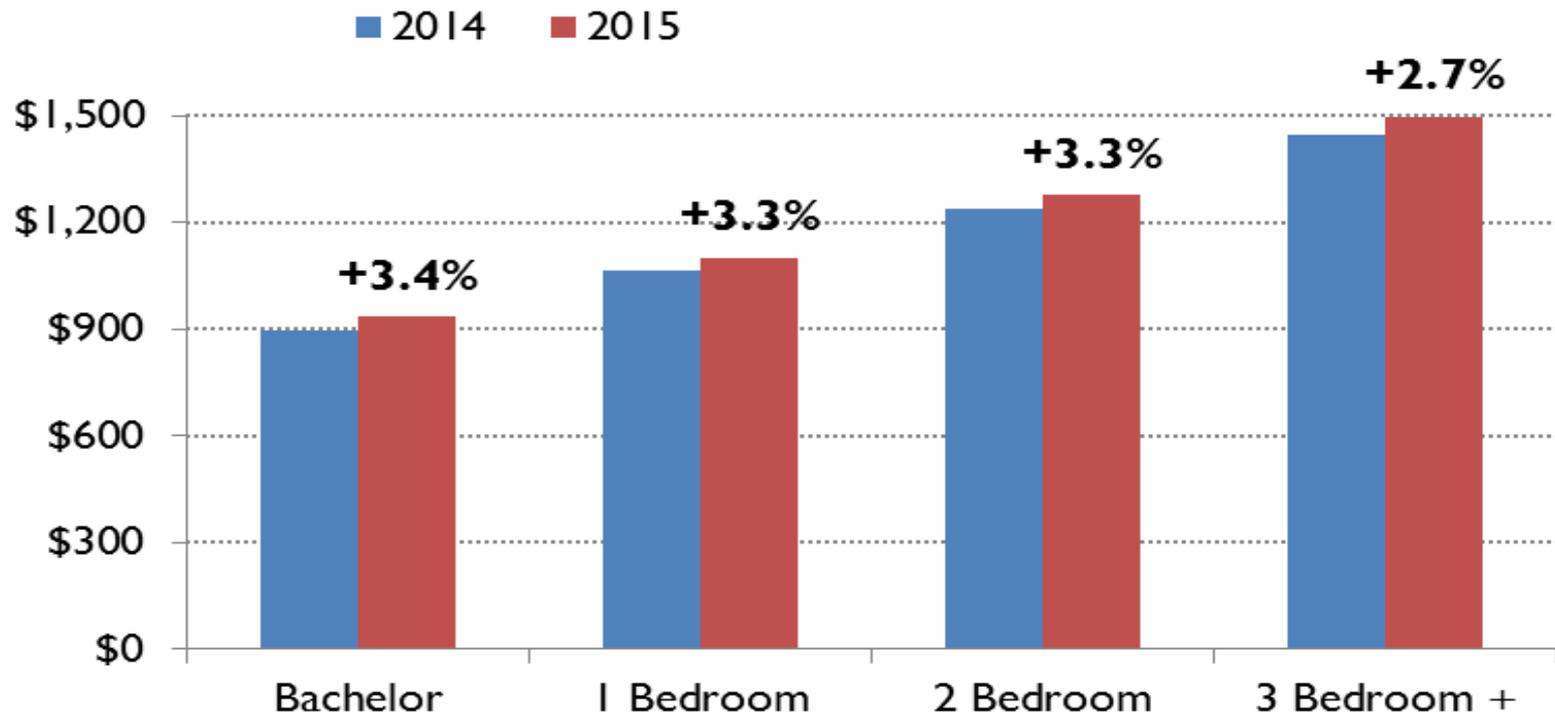
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Source: CMHC

Larger Units Command Higher Rents

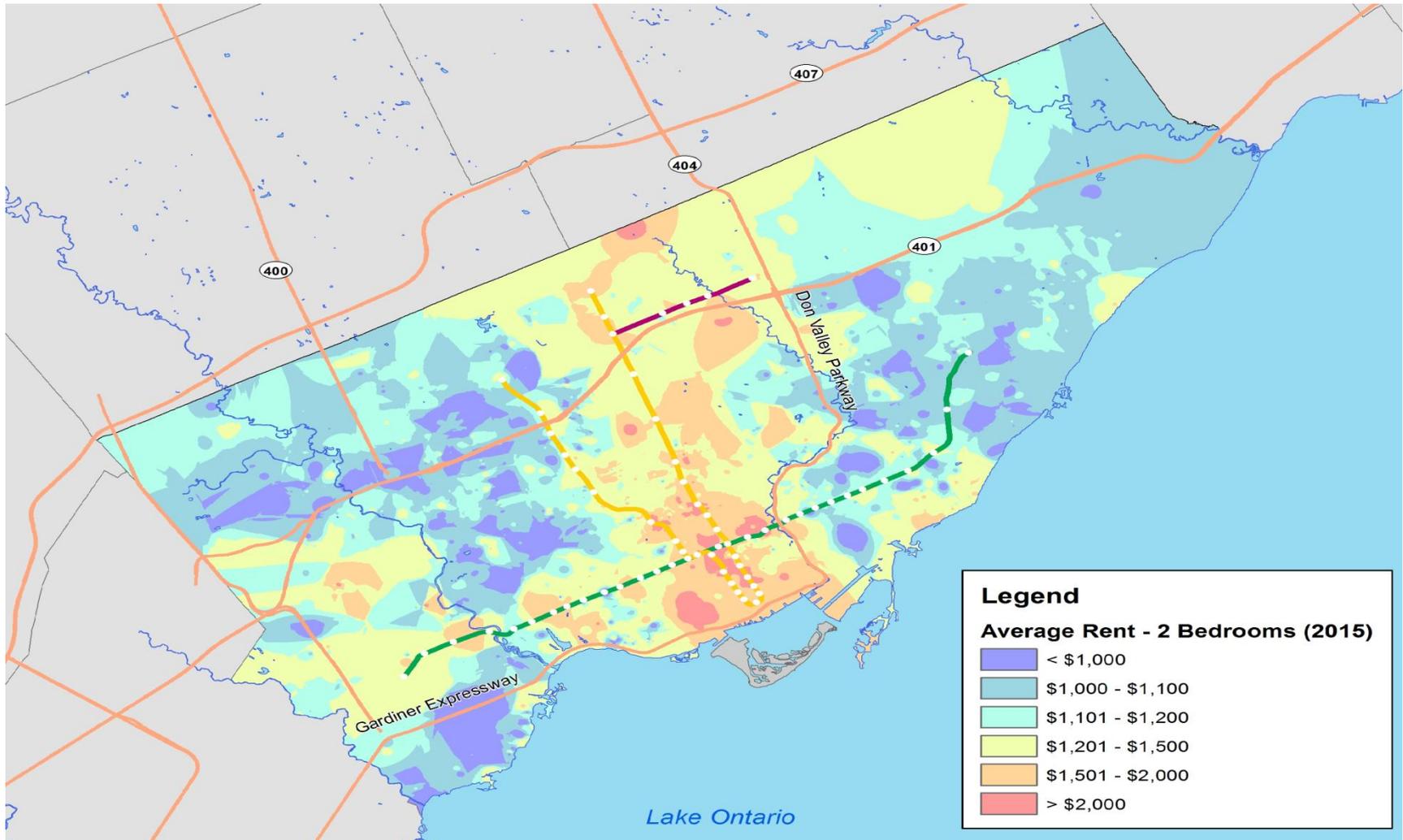
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Source: CMHC

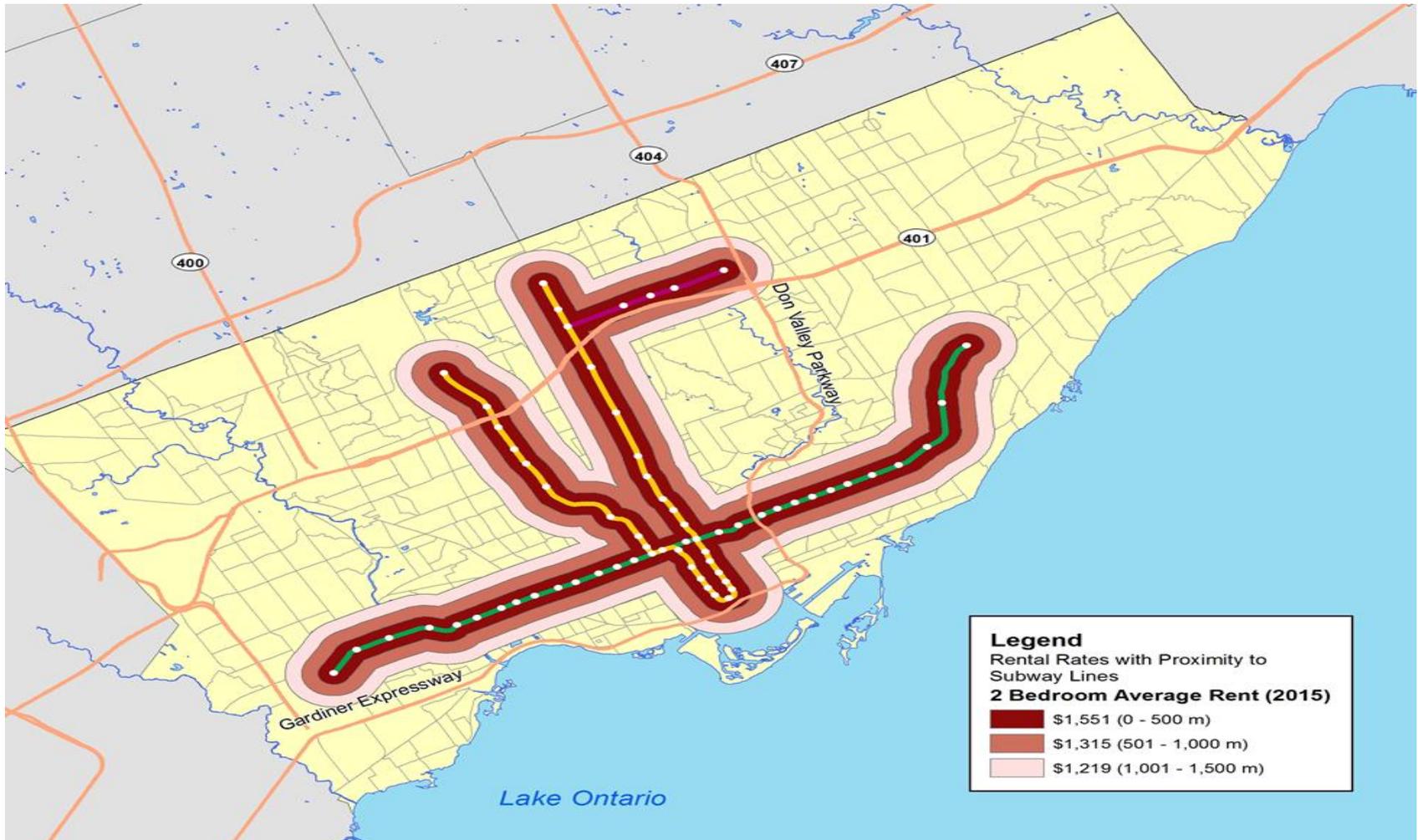
Higher Rents For Units Closer to Subways

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Premium Depends on the Distance to the Subway

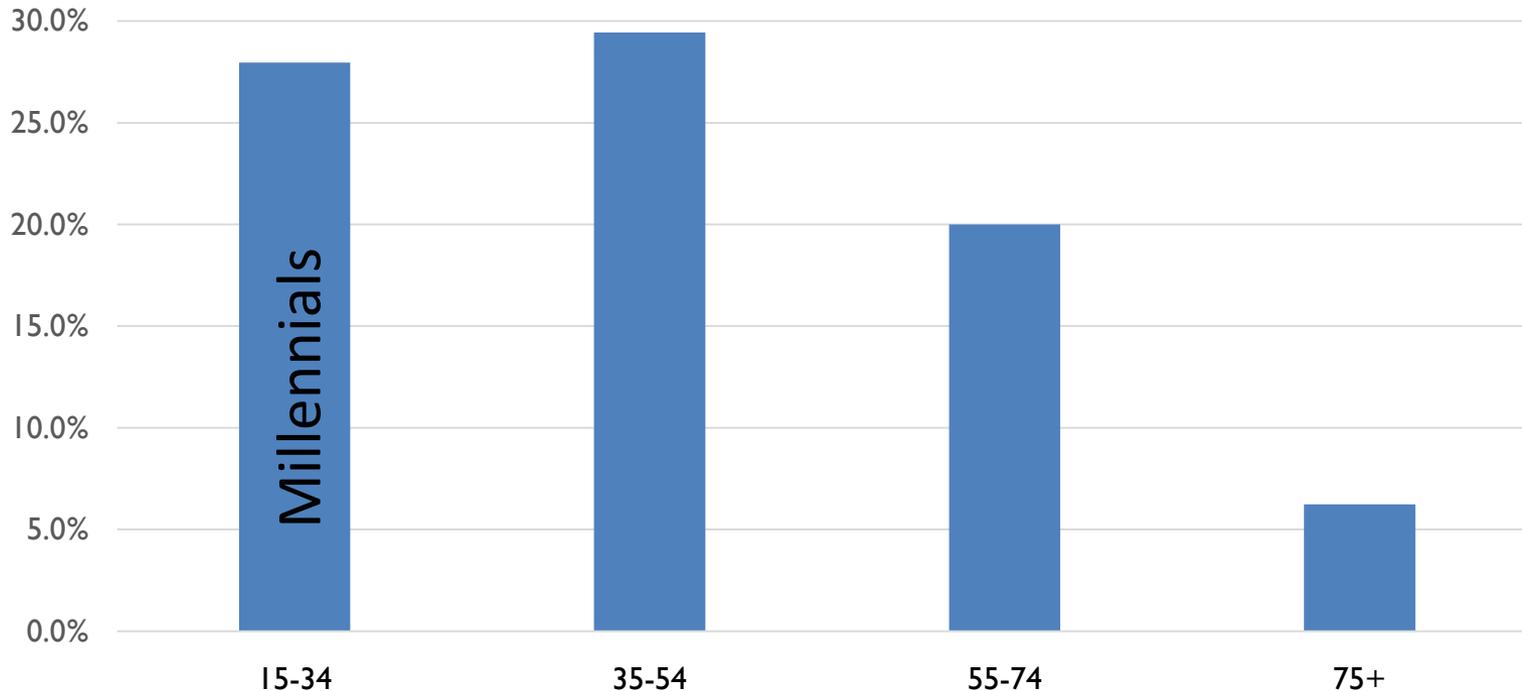
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Rental Demand Driven Mainly by Millennials

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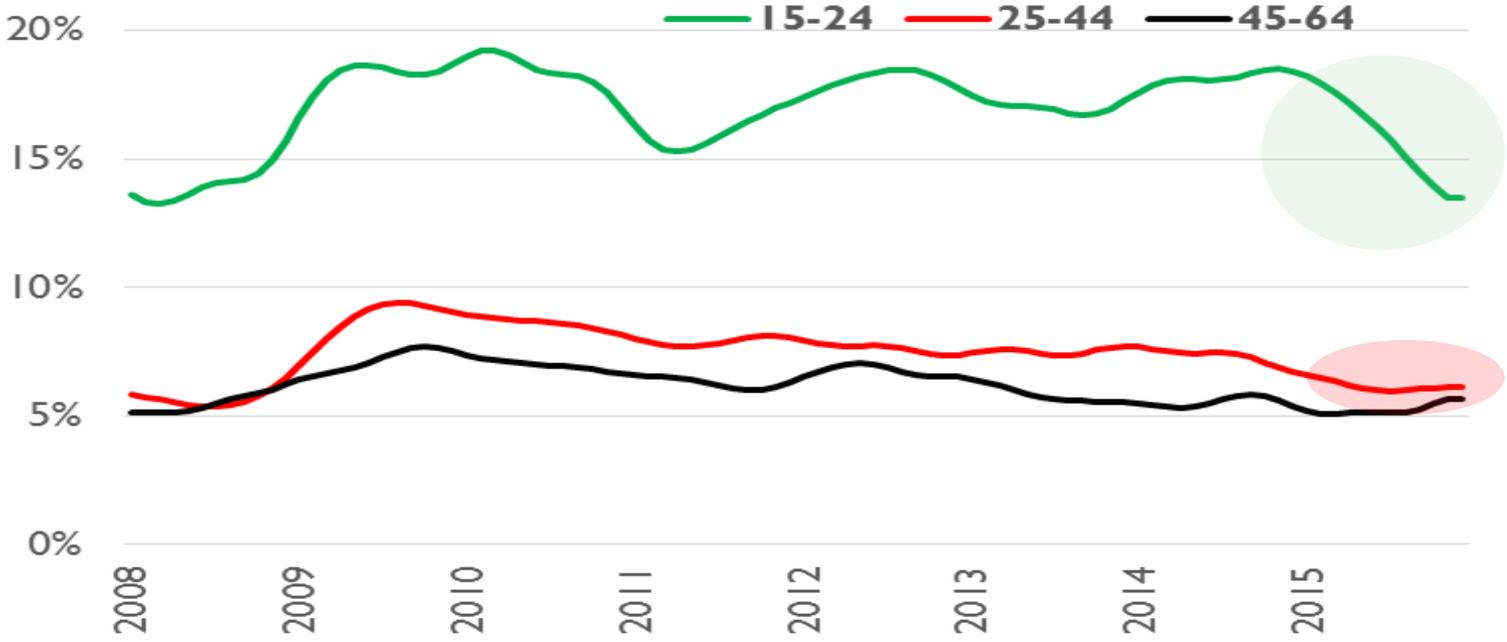
* Millennials made up almost 30 per cent of the GTA population in 2015



Source: Ontario Ministry of Finance (2015), CMHC

Lower Unemployment Rate Among Young Workers

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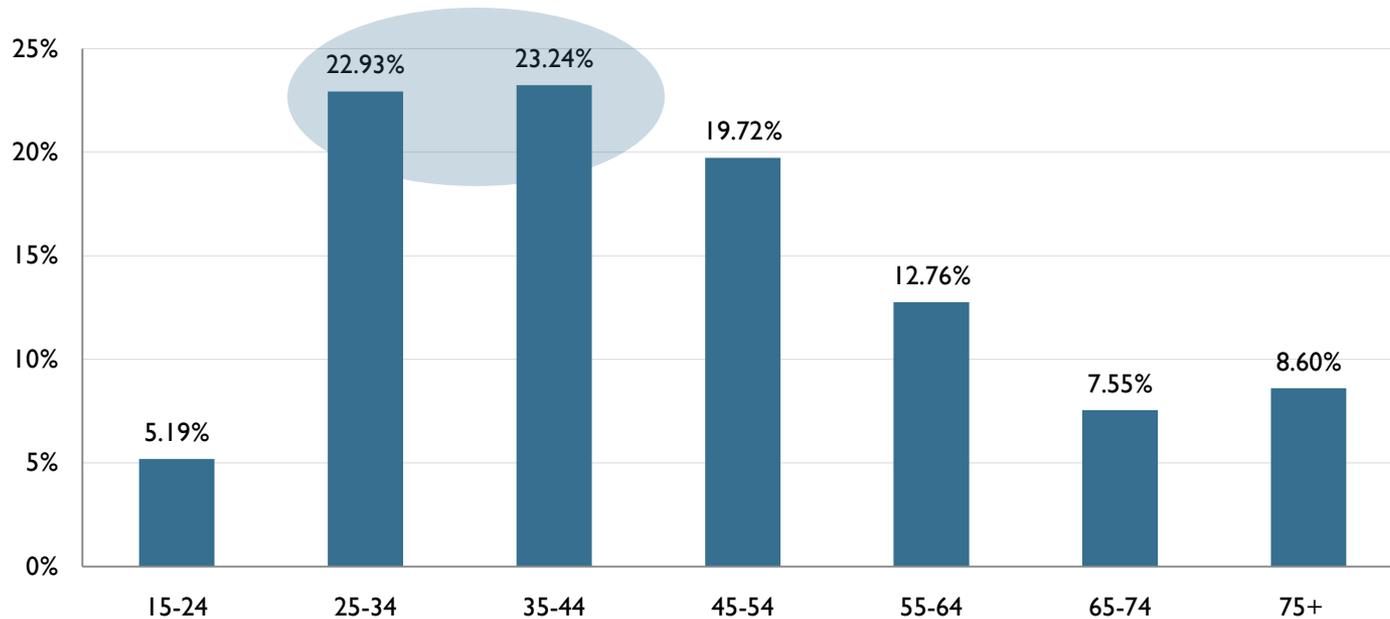


Source: Statistics Canada, CMHC

More Young People Are Renters in Toronto CMA

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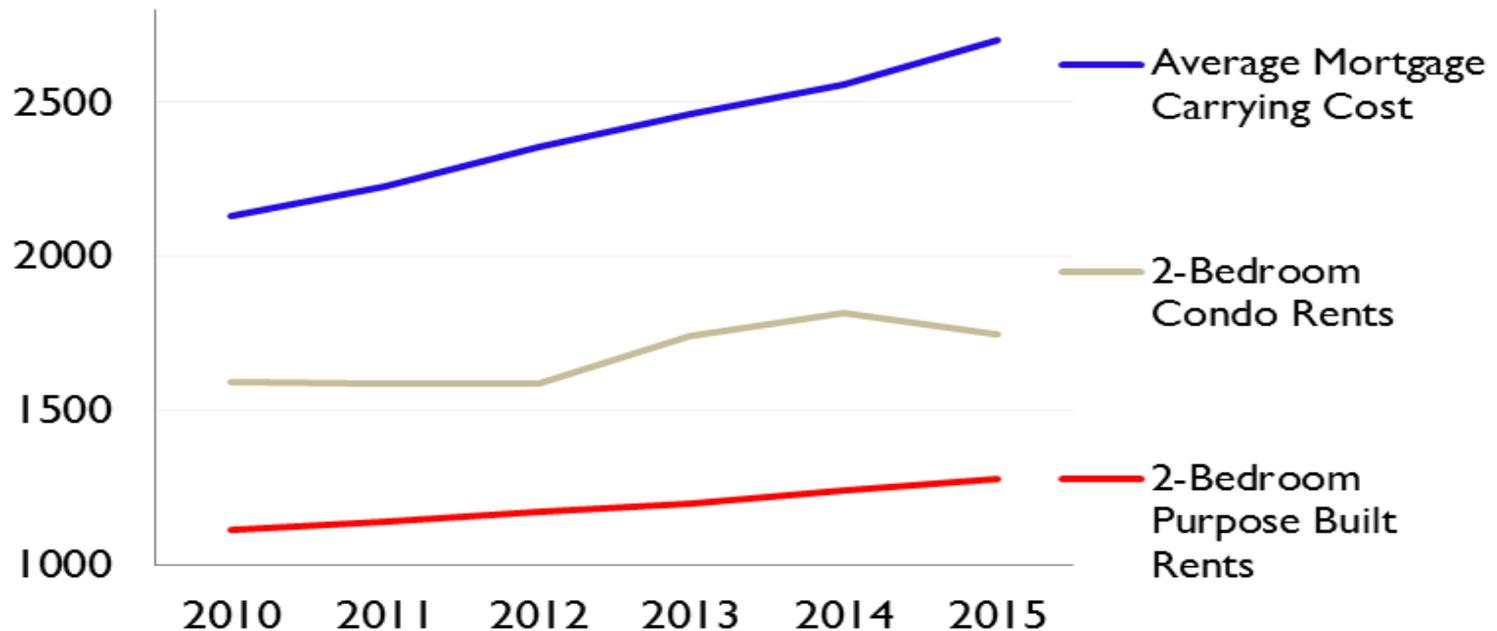
Proportion of Renters



Source: Census 2011, CMHC Estimates

Renters Delay Transition to Homeownership

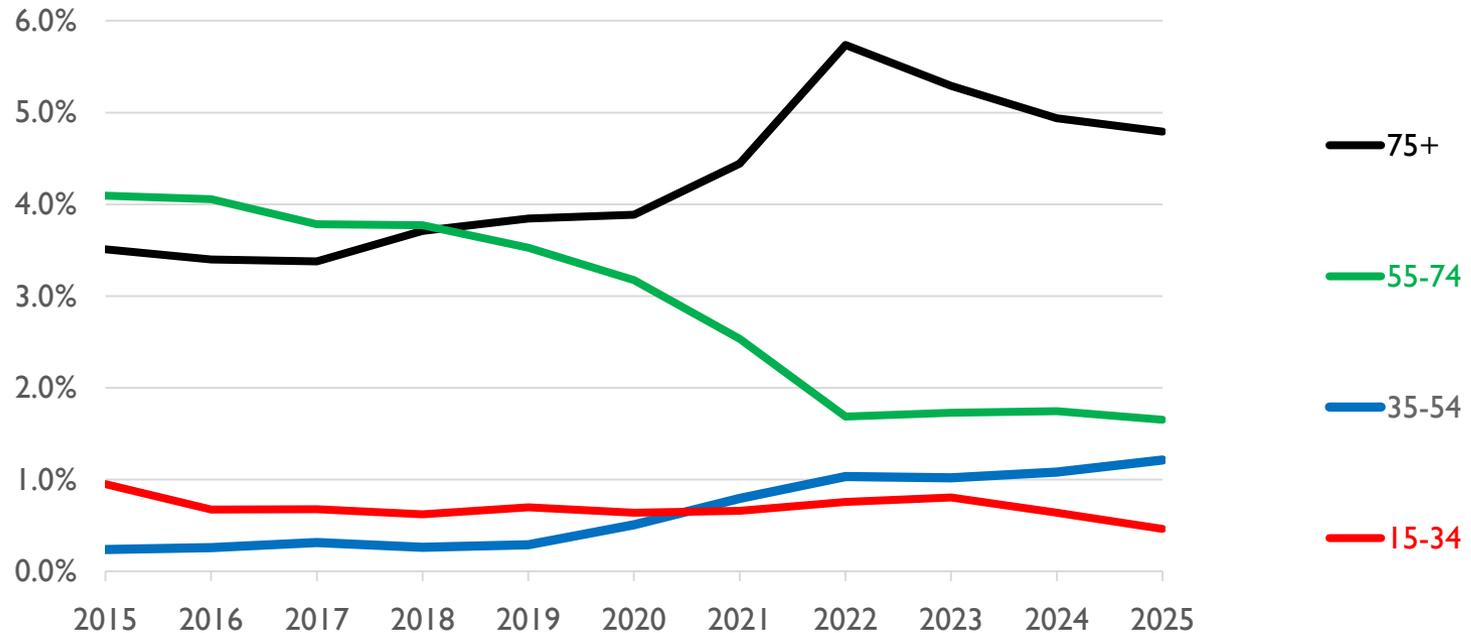
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Source: CREA, Statistics Canada, CMHC

Long Term Millennial Population Growth to Slow

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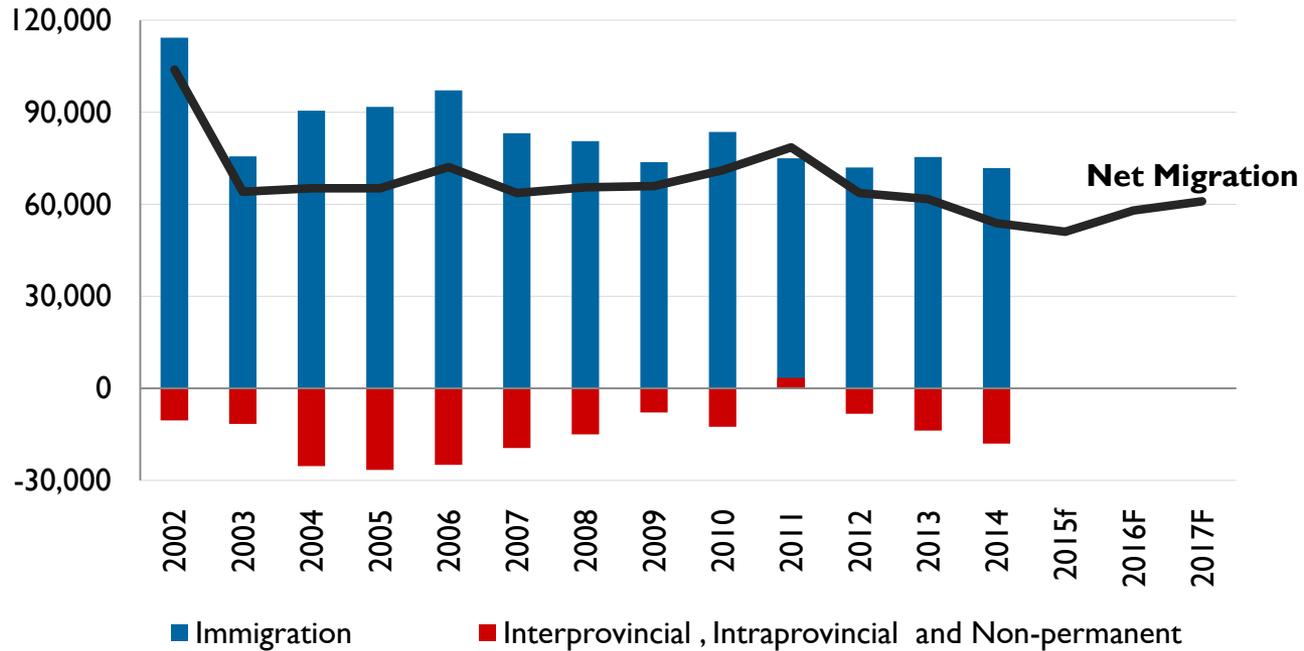


Source: Ontario Ministry of Finance, CMHC

Net Migration into GTA will Improve

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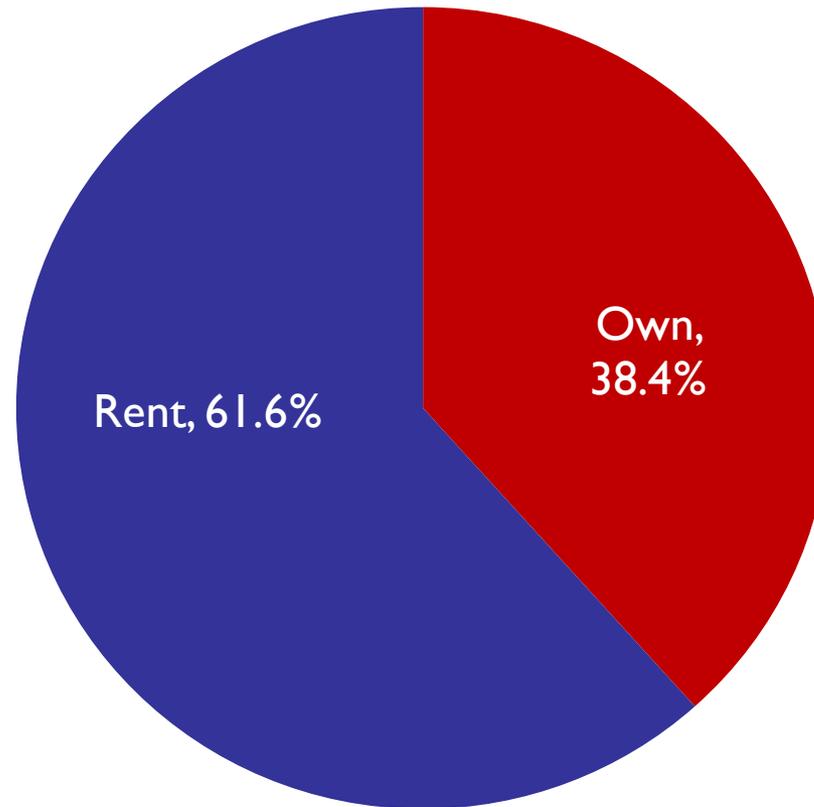
Number of Migrants, Toronto CMA



Source: Statistics Canada, CMHC forecasts

More New Immigrant* Households Rent in Toronto CMA

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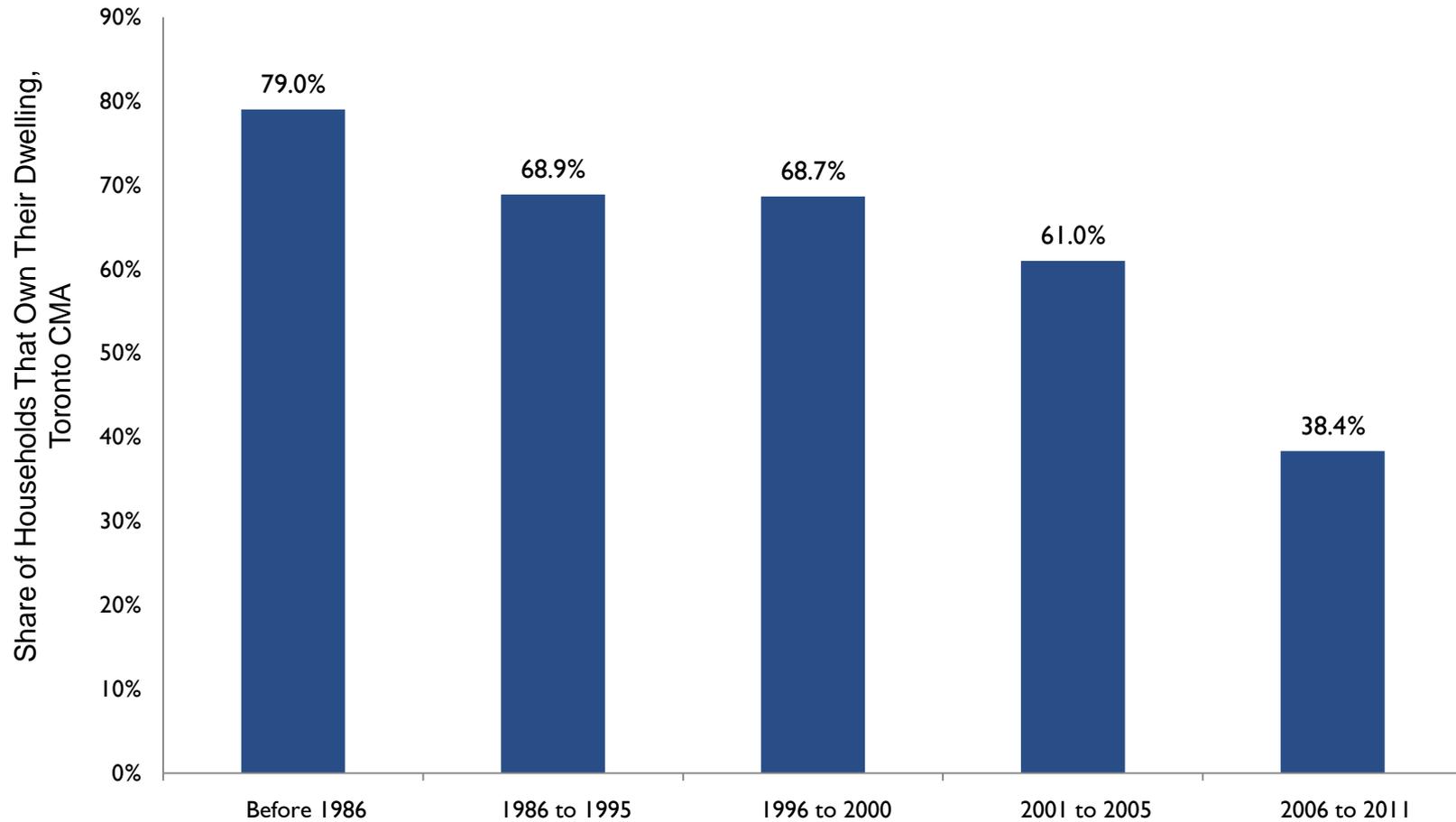


Source: Statistics Canada (2011 National Household Survey)

*Immigrated between 2006-2011

Declining Homeownership Rate Among Immigrants

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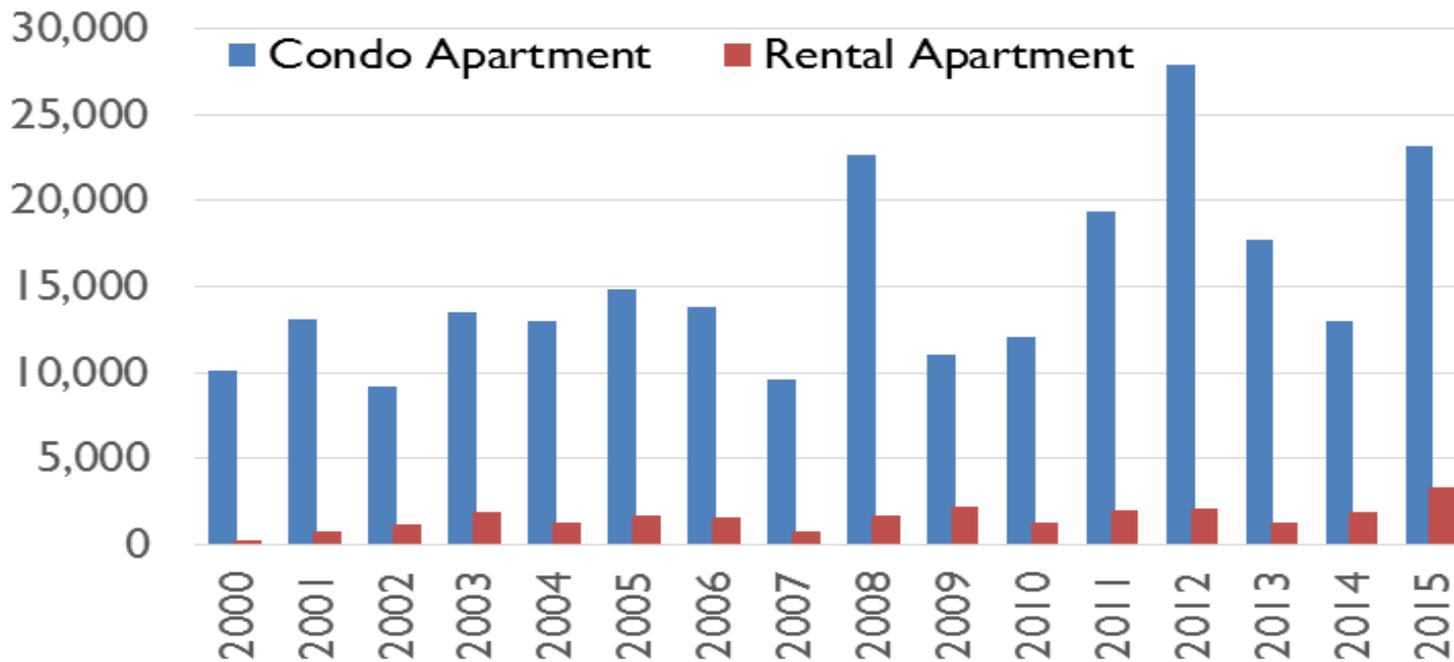


Source: Statistics Canada (2011 National Household Survey)

Purpose Built Rental Starts Increase, yet Lag Condo Starts

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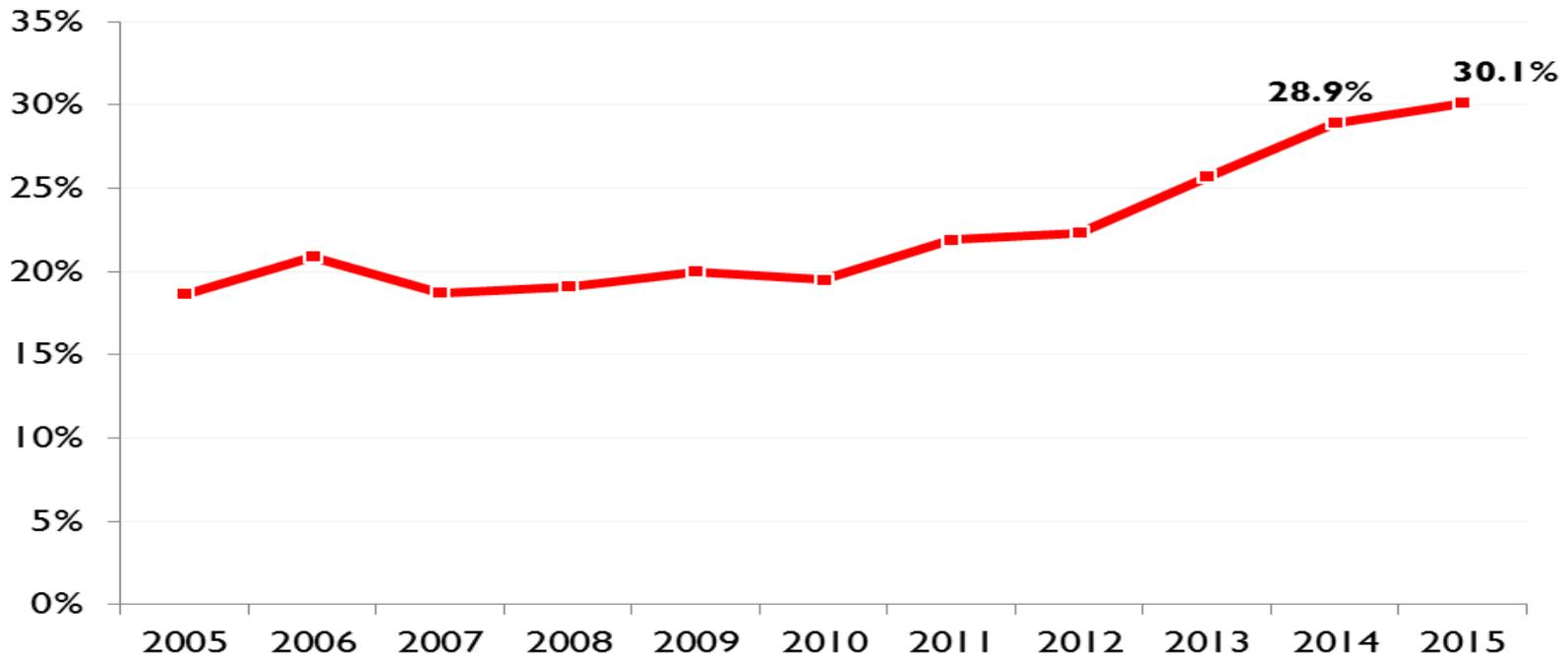
Number of Starts



Source: CMHC

Rental Condominium Apartment Stock Continues to Increase

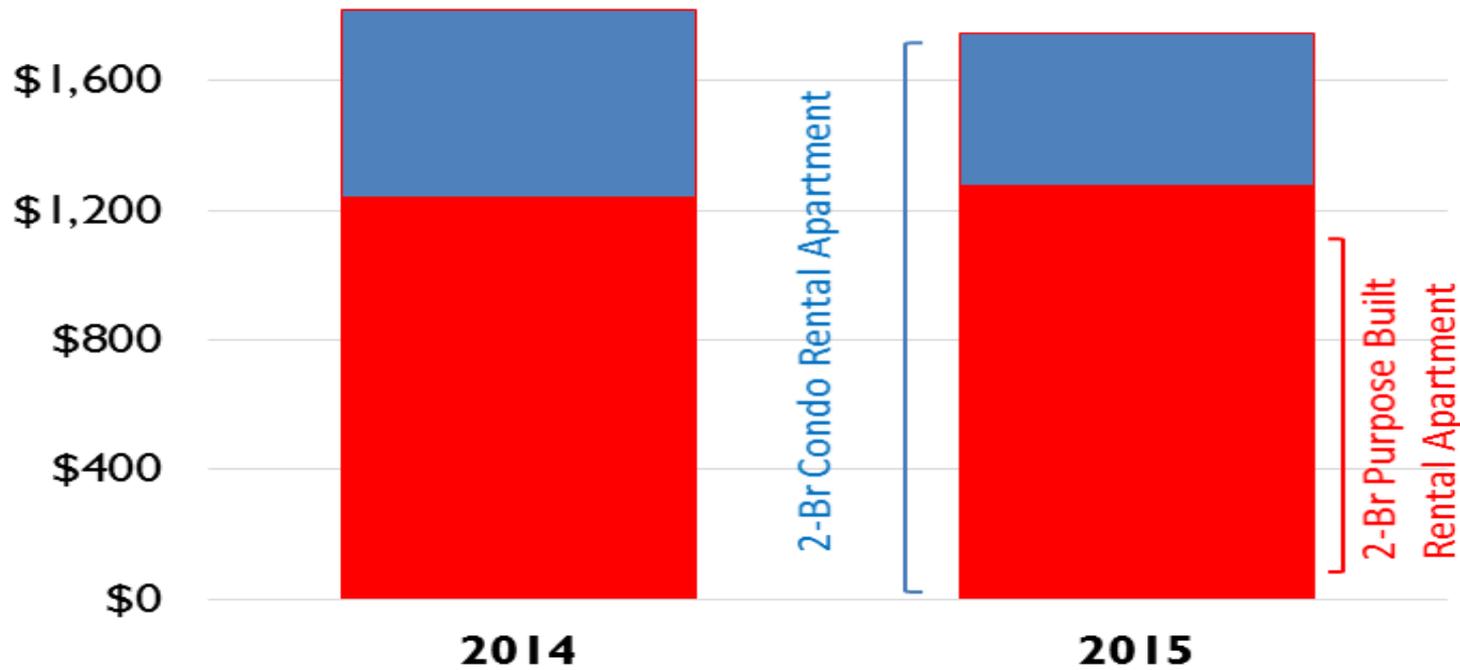
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Source: CMHC

Rent Gap is Shrinking

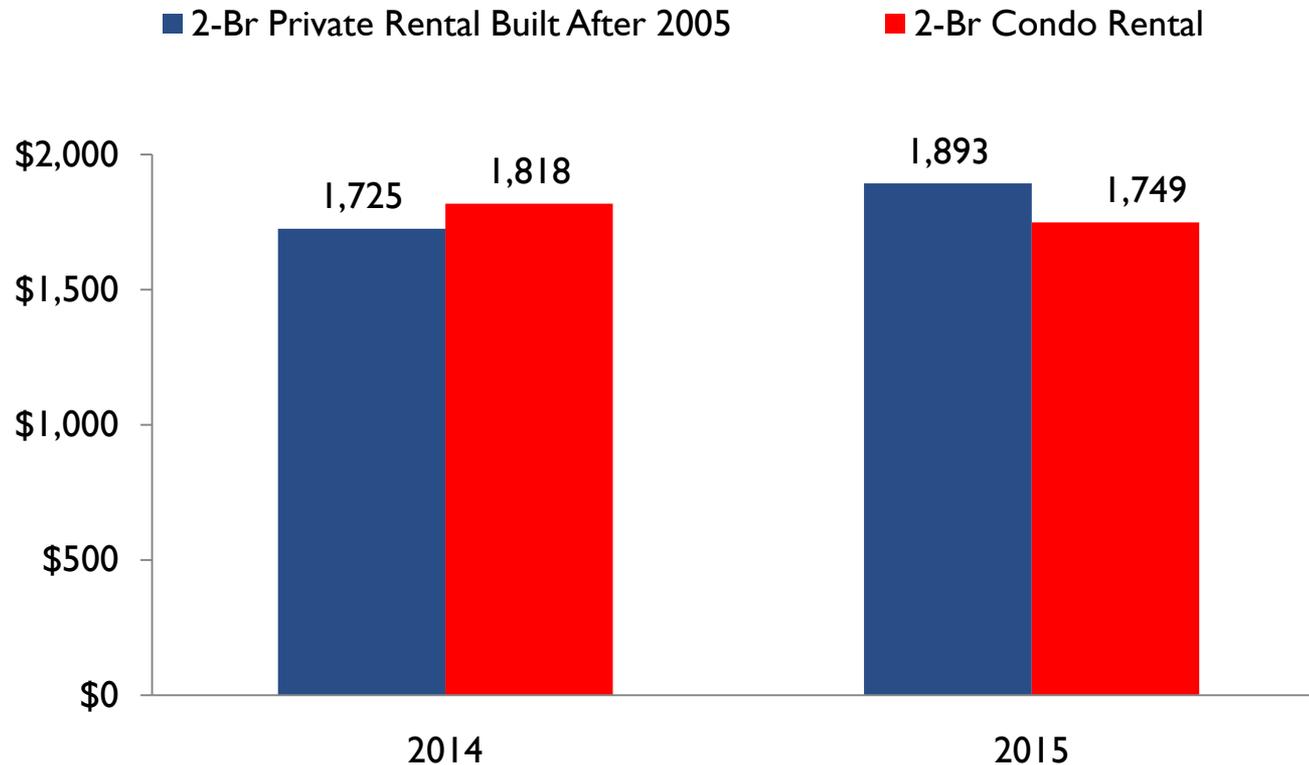
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Source: CMHC

But Higher Rents in Newer Primary Rental Units

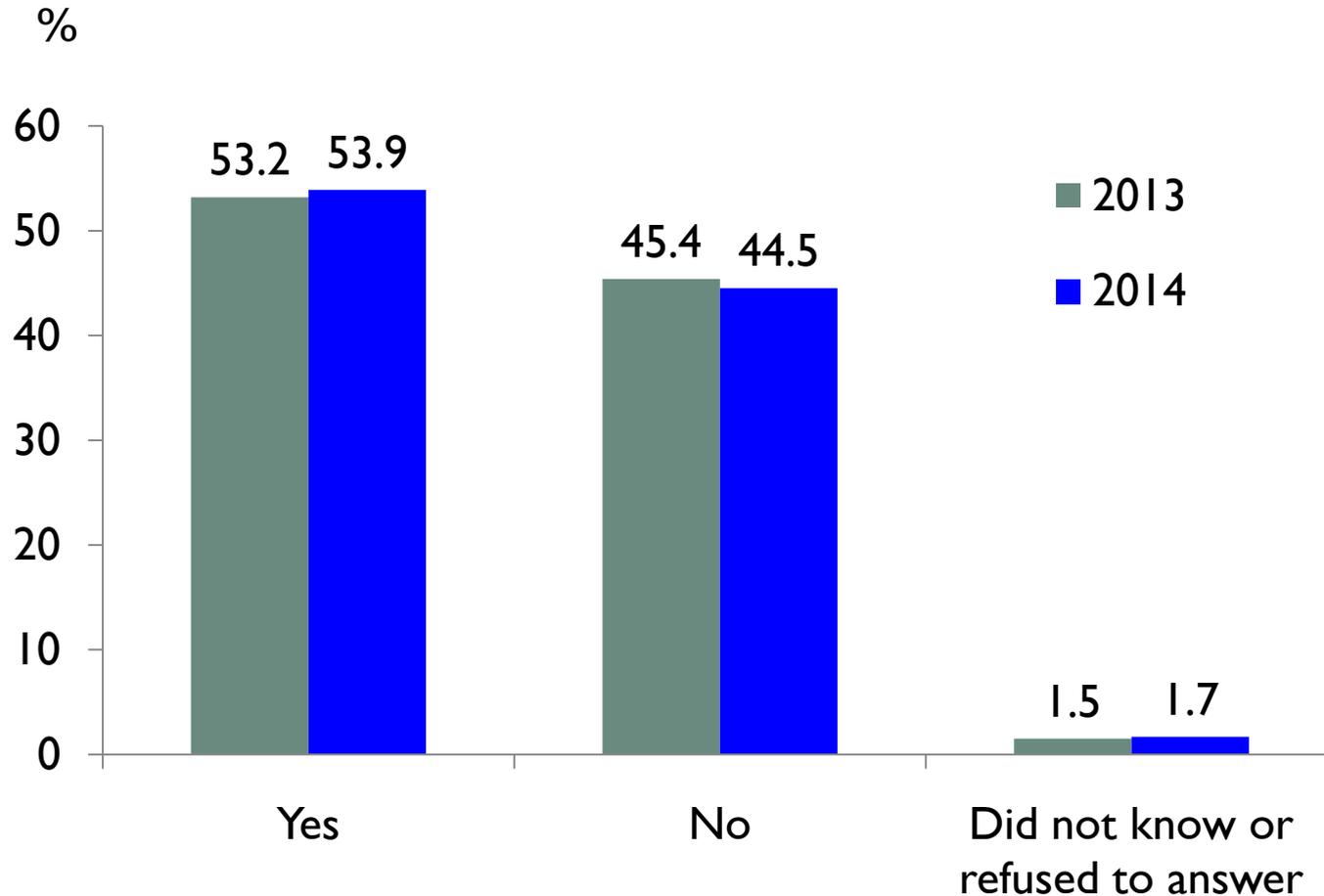
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Source: CMHC 2015 Rental Market Survey

Most Condo Investors Bought to Rent

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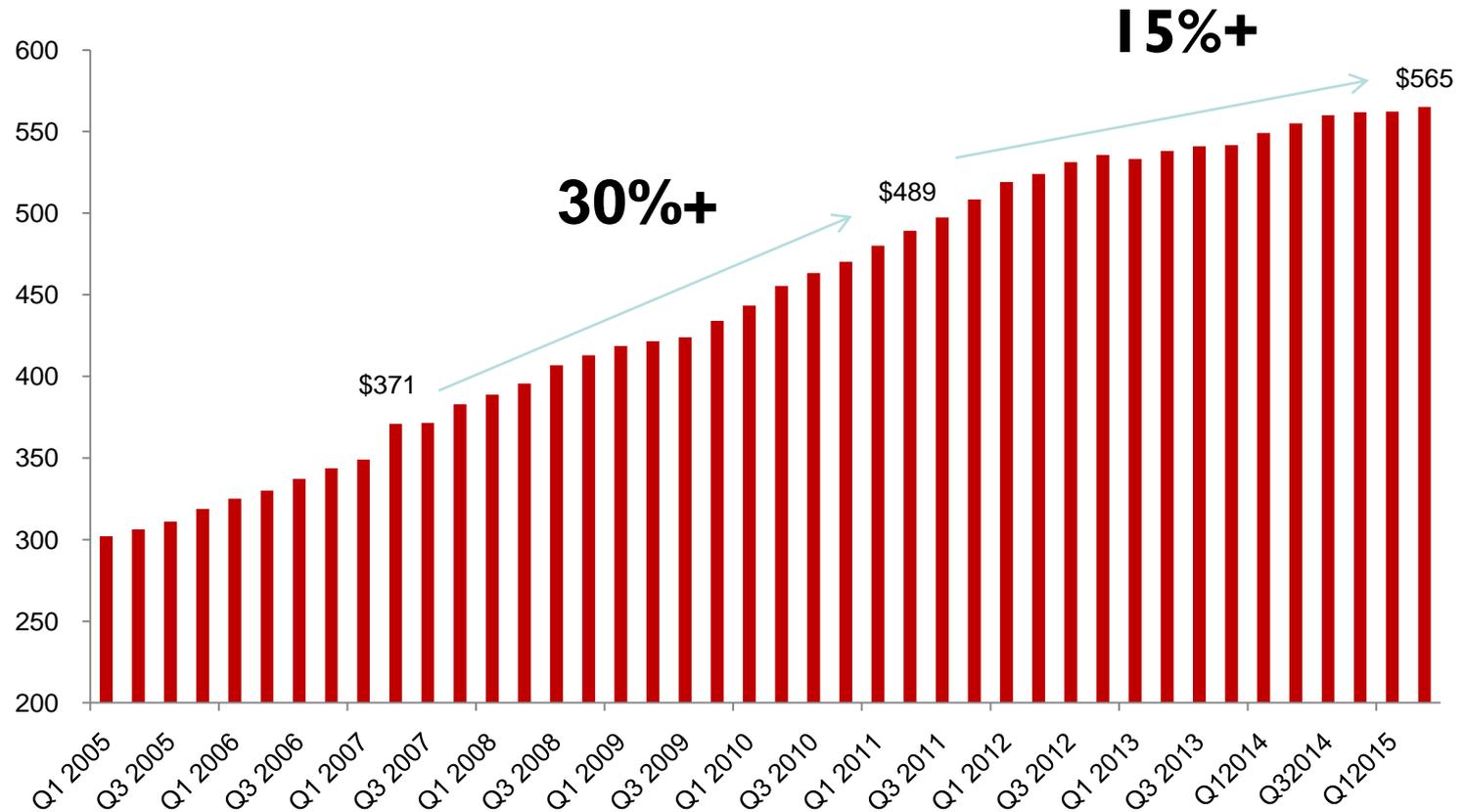


Source: CMHC Condominium Owner Survey 2013 & 2014

Slower Price Appreciation for New Condos

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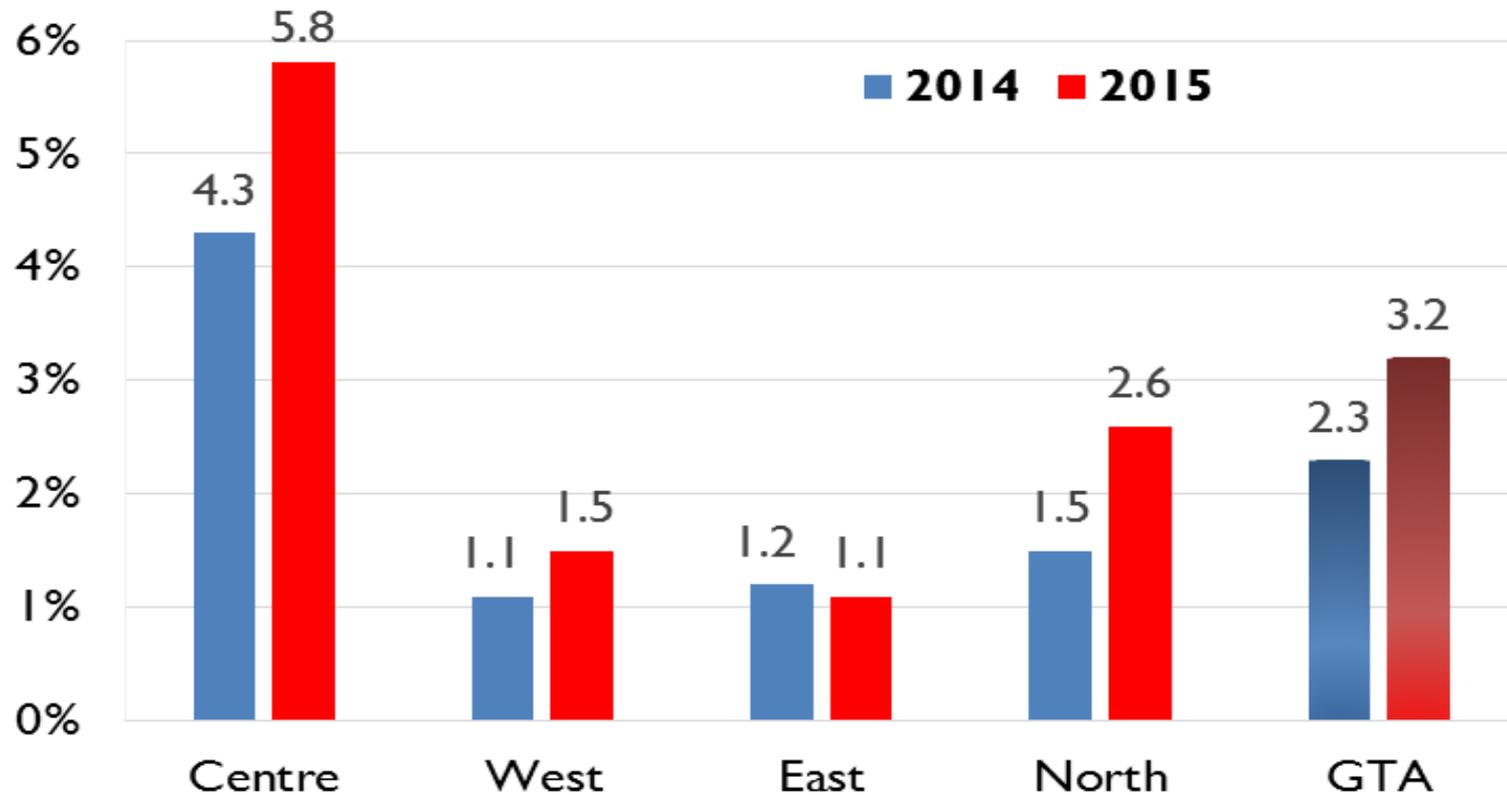
Average New Price PSF, SA



Source: Urbanation Inc., CMHC seasonal adjustment

Non-Resident Owned Condos Increase in Downtown

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Source: CMHC

Contact Information

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