

More rental vacancies in Canada's housing market in October

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Canadians had an easier time finding an apartment to rent in Canada's 35 largest cities during October.

The average rental apartment vacancy rate inched up to 2.8 per cent in October from 2.7 per cent the year before, according to the Canada Mortgage and Housing Corporation (CMHC) fall rental market survey.

"Overall, this increase in supply outpaced the rise in occupied units, slightly pushing up the national vacancy rate," Bob Dugan, Chief Economist at CMHC's Market Analysis Centre, said in a press release. "That said, demand for rental housing was supported by net migration and steady levels of full-time employment in the 15 to 24 age group."

Despite a slightly higher vacancy rate, the cost of renting a two-bedroom apartment climbed by 2.5 per cent with the average rent costing tenants \$941 a month in October 2014.

Cities with the lowest rental vacancies were in areas with hot housing markets, such as Vancouver at one per cent and Calgary at 1.4 per cent. Kelowna, B.C., also had a low vacancy rate of one per cent, as did Guleph (1.2 per cent) and Victoria (1.5 per cent).

Many of the highest rental vacancies were out east. Saint John, N.B., had the highest rate of nine per cent, which was closely followed by Moncton, N.B., at 8.7 per cent. The Quebec side of the Ottawa-Gatineau region saw a high vacancy rate of 6.5 per cent, as did Charlottetown, PEI (5.9 per cent).

If you own a condo, they continued to be a popular rental property with low vacancy rates in Canada's 11 large urban centres. Within these urban centres, the highest vacancy rate was in Montreal at 3.4 per cent and the lowest rate was in Vancouver at 0.7 per cent. The highest rents for a two-bedroom suite were in Toronto at \$1,818 per month, while the lowest were in Quebec City for \$1,070 per month. If you're looking into property investment within these cities, now may be a good time since low supply means more competition for suites. If you're currently renting out your condo unit, research whether your province has [rent controls](#) in place.

The CMHC also released new data about foreign investors, which appears to be lower than expected, especially in cities such as Toronto and Vancouver.

While there are varying opinions about whether Canada's housing market is in a bubble, the CMHC has warned homebuilders, especially those within Toronto and Montreal, to ensure they aren't overbuilding in areas.

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