

From: ["Mochrie, Paul" <Paul.Mochrie@vancouver.ca>](mailto:Paul.Mochrie@vancouver.ca)
To: ["Direct to Mayor and Council - DL"](#)
Date: 2/3/2023 4:47:32 PM
Subject: Updated Rental Market Data from CMHC for 2022
Attachments: Memo to Mayor & Council -Updated Rental Market Data from CMHC for 2022.pdf

Dear Mayor and Council,

Please see the attached memo from Theresa O'Donnell, GM of Planning, Urban Design and Sustainability, providing a summary of the 2022 Rental Market Report published by CMHC on January 26.

Highlights of the 2022 Report include:

- Vancouver recorded the highest annual growth in its rental stock in 30 years, both in purpose-built rental and rental condominiums.
- Vancouver and other Canadian cities experienced a surge in rental demand in 2022 driven by record levels of in-migration and higher borrowing costs limiting renter households' ability to move to ownership.
- Even with record new supply, high rental demand meant that the vacancy rate in Vancouver's purpose-built rental stock decreased to 0.9%, while city-wide average rents increased by over 7%, to \$1,726.

If you have any questions, please reach out to Theresa O'Donnell (theresa.o'donnell@vancouver.ca) or Dan Garrison (dan.garrison@vancouver.ca).

Best,
Paul

Paul Mochrie (he/him)
City Manager
City of Vancouver
paul.mochrie@vancouver.ca

MEMORANDUM

February 3, 2023

TO: Mayor and Council

CC: Paul Mochrie, City Manager
Armin Amrolia, Deputy City Manager
Karen Levitt, Deputy City Manager
Rosemary Hagiwara, Acting City Clerk
Maria Pontikis, Chief Communications Officer, CEC
Teresa Jong, Administration Services Manager, City Manager's Office
Kareem Allam, Chief of Staff, Mayor's Office
Trevor Ford, Director of Operations, Mayor's Office
Mellisa Morphy, Director of Policy, Mayor's Office

FROM: Theresa O'Donnell
General Manager, Planning, Urban Design and Sustainability

SUBJECT: Updated Rental Market Data from CMHC for 2022

Below are highlights from the Canada Mortgage and Housing Corporation (CMHC) [Rental Market Report – 2022](#) published on January 26, 2022. The CMHC collects data on the primary and secondary rental market annually via a survey of rental owners in the fall of each year. The trends and indicators in the report provide policy makers with insights into the state of the rental housing market in Vancouver. This memo summarizes the key indicators included in the report for the City of Vancouver and the Vancouver Census Metropolitan Area (CMA). Appendices provide additional details on the data and explanation of the survey methodology.

Highlights

- Vancouver recorded the highest annual growth in its rental stock in 30 years, both in purpose-built rental and rental condominiums.
- Vancouver and other Canadian cities experienced a surge in rental demand in 2022 driven by record levels of in-migration and higher borrowing costs limiting renter households' ability to move to ownership.
- Even with record new supply, high rental demand meant that the vacancy rate in Vancouver's purpose-built rental stock decreased to 0.9%, while city-wide average rents increased by over 7%, to \$1,726.

Vacancy rates

The purpose-built rental vacancy rate in Vancouver continued to decrease since the pandemic, falling from 1.1% in 2021 to 0.9% in 2022, a trend observed across Canada. In Metro Vancouver, the vacancy rate also fell to 0.9% from 1.2% in 2021. Vacancy rates within Vancouver varied by neighbourhood, with Kerrisdale recording the highest rate of 2.5% following the introduction of new rental supply. In all other neighbourhoods, vacancy rates remained low or fell compared to 2021.

Vacancy rates in rented condos rose to 2.3% in 2022 in the City of Vancouver and 2.5% across the region. CMHC notes that this may be due to more condos being offered for long-term rental (see Rental Stock section below). Additional details are available in Appendix A.

Average rents

Rents increased in all of Canada's major markets in 2022, including Vancouver and the region. The average rent in Vancouver was \$1,726 in 2022, up 7.3% from 2021. CMHC observes that landlords were able to increase rents significantly between tenancies, with average asking rents in vacant units jumping from \$1,771 in 2021 to \$2,534 in 2022 (+43%). The average rent for occupied units (current tenancies) increased by 6.8%, above the 1.5% provincial annual allowable rate for 2022. The overall gap between occupied and vacant units widened from 10% in 2021 to 47% in 2022.

The average rent in newly-constructed apartments and rowhouses completed between July 2019 and June 2022 was reported at \$2,654, 54% higher than average rents for all units. Additional details are available in Appendix B.

Rental stock

In 2022, the region saw the highest annual increase in rental supply since 1990, adding 3,805 purpose-built rental units across Metro Vancouver. In the City of Vancouver, the stock of purpose-built rental apartments increased by 2.3% to 61,692, making up 52% of the region's total purpose-built rental supply and 36% of the region's growth in purpose-built rental units. The number of condo units in the rental pool also increased, by 1,631 units in the city and 7,850 in the region compared to 2021, due to new construction and existing condos turned to rental.

The City of Vancouver continued to lead the region in the increase in rental supply over the last ten years, adding 6,081 primary rental apartments between 2013 and 2022. Other municipalities including New Westminster, Langley and North Vancouver also saw strong net increases in their purpose-built rental stock. Burnaby registered a net loss in rental by 1,272 rental units since 2013, despite a small increase in 2022 for the first time in over a decade (see Appendix C for more details). CMHC expects continued growth in rental supply following strong construction starts in 2021-2022, though new 2023 starts may be impacted by increasing financing costs.

Staff will continue to liaise with CMHC to monitor market trends and clarify any questions arising from the report. If you have any questions or require further information, please contact me or Dan Garrison, Director of Housing Policy and Regulation, at 604-673-8435 or dan.garrison@vancouver.ca.



Theresa O'Donnell
General Manager, Planning, Urban Design and Sustainability

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Appendix A – Vacancy rates

Table 1: Vacancy rates in purpose-built rental apartments in the City of Vancouver and Vancouver CMA, 2018-2022

	2018	2019	2020	2021	2022	Change 2021-2022
City of Vancouver	0.8%	1.0%	2.8%	1.1%	0.9%	-0.2% pts
Vancouver CMA*	1.0%	1.1%	2.6%	1.2%	0.9%	-0.3% pts

*Census Metropolitan Area

Table 2: Vacancy rates in purpose-built rental apartments across major urban areas, 2021-2022

	2021	2022	Change 2021-2022
Vancouver CMA	1.2%	0.9%	-0.3% pts
Victoria CMA	1.0%	1.5%	+0.5% pts
Toronto CMA	4.6%	1.6%	-4.0% pts
Ottawa CMA (Ontario)	3.4%	2.1%	-1.3% pts
Montreal CMA	3.0%	2.0%	-1.0% pts

Table 3: Vacancy rates in purpose-built rental apartments by bedroom type and CMHC rental zone in the City of Vancouver, 2022

	Bachelor	1-Bedroom	2-Bedroom	3-Bedroom +	Total
West End / Stanley Park	0.4%	0.3%	1.0%	**	0.4%
English Bay	2.2%	0.6%	0.8%	**	0.9%
Downtown	2.3%	1.6%	2.3%	**	1.8%
South Granville / Oak	0.8%	0.6%	0.5%	0.0%	0.6%
Kitsilano / Point Grey	0.1%	0.4%	0.5%	0.0%	0.6%
Westside / Kerrisdale	3.4%	1.4%	3.3%	**	2.5%
Marpole	0.4%	0.4%	0.4%	0.0%	0.4%
Mount Pleasant / Renfrew Heights	0.1%	0.3%	1.8%	0.0%	0.5%
East Hastings	0.7%	0.5%	0.1%	0.0%	0.5%
Southeast Vancouver	0.0%	0.3%	0.4%	0.6%	0.3%
Total	1.2%	0.7%	1.2%	2.4%	0.9%

**Data suppressed by CMHC

Table 4: Vacancy rates by rent levels in purpose-built rental apartments in the City of Vancouver, 2021-2022

	2021	2022	Change 2021-2022
LT \$750	**	1.3%	**
\$750 - \$999	0.4%	0.4%	No change
\$1,000 - \$1,249	0.9%	0.4%	-0.5% pts
\$1,250 - \$1,499	1.0%	0.3%	-0.7% pts
\$1,500 - \$1,749	0.8%	0.6%	-0.2% pts
\$1,750 +	1.6%	1.7%	+0.1% pts
Total	1.1%	0.9%	-0.2% pts

**Data suppressed by CMHC

Table 5: Vacancy rates in rented condominiums in the City of Vancouver and Vancouver CMA, 2018-2022

	2018	2019	2020	2021	2022	Change 2021-2022
City of Vancouver	0.3%	0.2%	0.7%	0.8%	2.3%	+1.5% pts
Vancouver CMA	0.3%	0.3%	0.8%	0.8%	2.2%	+1.4% pts

Appendix B – Average rents

Table 6: Average rents in purpose-built rental apartments in the City of Vancouver and Vancouver CMA, 2018-2022

	2018	2019	2020	2021	2022	Change* 2021-2022
City of Vancouver	\$1,478	\$1,568	\$1,598	\$1,609	\$1,726	+7.3%
Vancouver CMA	\$1,385	\$1,469	\$1,508	\$1,537	\$1,665	+8.3%

*straight % change based on entire universes in 2021 and 2022, including brand new structures.

Year-over-year change based on the same sample of buildings (only existing structures common to 2021 and 2022 surveys) was 6.0% in the City of Vancouver and 6.3% in Vancouver CMA.

Table 7: Average rents in purpose-built rental apartments across major urban areas, 2021-2022

	2021	2022	Change* 2021- 2022
Vancouver CMA	\$1,537	\$1,665	+8.3%
Victoria CMA	\$1,323	\$1,457	+10.1%
Toronto CMA	\$1,561	\$1,660	+6.3%
Ottawa CMA (Ontario)	\$1,402	\$1,461	+4.2%
Montreal CMA	\$913	\$998	+9.3%

*straight % change based on entire universes in 2021 and 2022, including brand new structures.

Table 8: Average rents in purpose-built rental apartments by bedroom type and CMHC rental zone in the City of Vancouver, 2022

	Bachelor	1-Bedroom	2-Bedroom	3-Bedroom +	Total
West End / Stanley Park	\$1,333	\$1,642	\$2,428	\$3,347	\$1,698
English Bay	\$1,343	\$1,756	\$2,571	**	\$1,782
Downtown	\$1,604	\$1,840	\$2,759	\$4,169	\$1,913
South Granville / Oak	\$1,320	\$1,617	\$2,131	\$3,041	\$1,667
Kitsilano / Point Grey	\$1,375	\$1,684	\$2,311	\$3,204	\$1,792
Westside / Kerrisdale	\$1,484	\$1,648	\$2,577	\$3,942	\$2,008
Marpole	\$1,082	\$1,242	\$1,543	**	\$1,282
Mount Pleasant / Renfrew Heights	\$1,369	\$1,493	\$2,116	\$3,064	\$1,621
East Hastings	\$1,482	\$1,431	\$2,048	\$2,204	\$1,543
Southeast Vancouver	\$1,272	\$1,519	\$2,018	\$2,397	\$1,727
Total	\$1,419	\$1,629	\$2,272	\$3,059	\$1,726

**Data suppressed by CMHC

Table 9: Average rents in purpose-built rental apartments by occupancy status in the City of Vancouver, 2018-2022

	2018	2019	2020	2021	2022	Change 2021-2022
Vacant	\$1,766	\$1,873	\$1,868	\$1,771	\$2,534	+43%
Occupied	\$1,476	\$1,565	\$1,590	\$1,608	\$1,718	+6.8%
Gap between Vacant / Occupied	19.6%	19.7%	17.5%	10.1%	47.5%	-

Table 10: Profile of new rental stock (apartment and rowhouses) for structures completed between July 2019 and June 2022 in the City of Vancouver

	Universe	Vacancy rate	Average rent
Bachelor	578	5.9%	\$2,160
1-Bedroom	1,470	2.5%	\$2,302
2-Bedroom	1,054	**	\$3,221
3-Bedroom +	229	**	\$4,011
Total	3,331	4.7%	\$2,654

Table 11: Average rents in rented condominiums in the City of Vancouver and Vancouver CMA, 2018-2022

	2018	2019	2020	2021	2022	Change 2021-2022
City of Vancouver	\$2,080	\$2,117	\$2,135	\$2,330	\$2,477	+6.3%
Vancouver CMA	\$1,855	\$1,893	\$1,914	\$2,125	\$2,259	+6.3%

Appendix C – Rental universe

Table 12: Number of rental units in purpose-built rental apartment universe in the City of Vancouver and Metro Vancouver, 2018-2022

	2018	2019	2020	2021	2022	Change 2021-2022
City of Vancouver	57,814	58,557	59,453	60,333	61,692	+2.3%
Vancouver CMA	109,289	110,753	113,141	114,743	118,548	+3.3%

Figure 1: Net change in the total number of purpose-built rental apartments in Metro Vancouver municipalities, 2013-2022

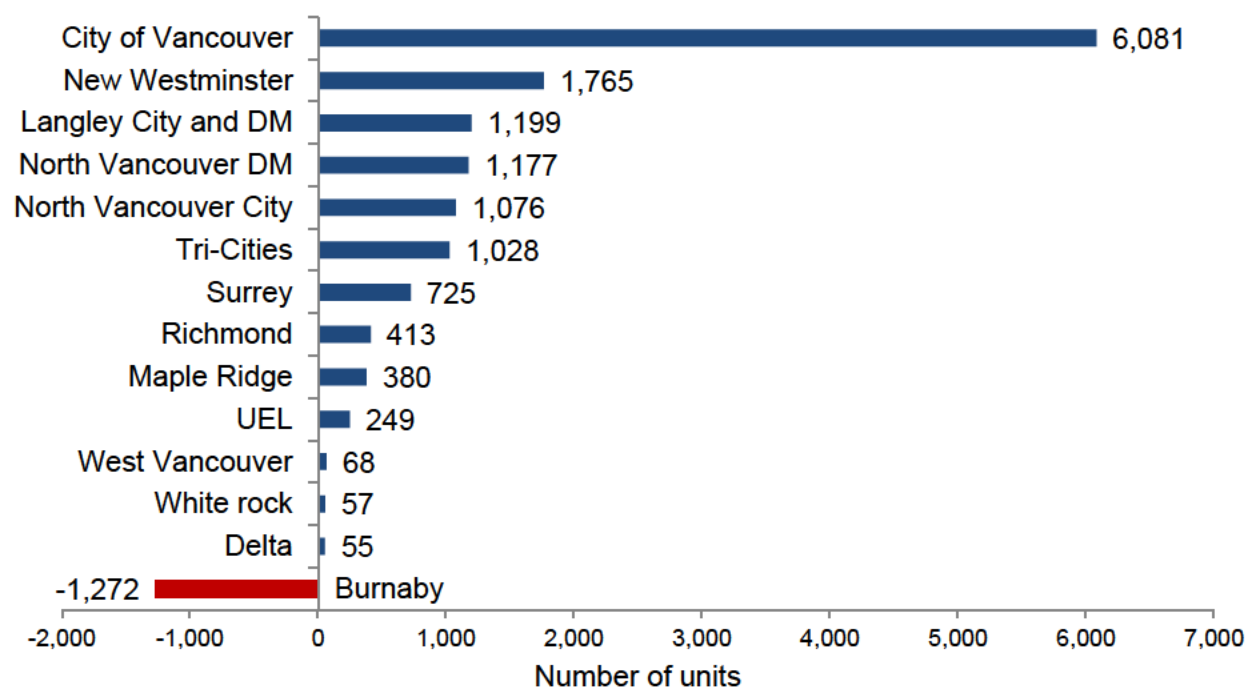


Table 13: Purpose-built rental apartment universe by bedroom type in the City of Vancouver and Vancouver CMA, 2022

	Bachelor	1-Bedroom	2-Bedroom	3-Bedroom +	Total
City of Vancouver	15.5%	65.3%	17.9%	1.3%	100%
Vancouver CMA	11.3%	60.3%	26.0%	2.4%	100%

Table 14: Net year-over-year change in condominium units in the rental pool in the City and Vancouver CMA, 2018-2022

	2017 / 2018	2018 / 2019	2019 / 2020	2020 / 2021	2021 / 2022
City of Vancouver	-238	+5,920	+2,455	+615	+1,631
Vancouver CMA	-1,081	+11,118	+7,137	+2,550	+7,850

Table 15: Share of condominium units dedicated to long-term rental in the City of Vancouver and Vancouver CMA, 2018-2022

	2018	2019	2020	2021	2022
City of Vancouver	30.9%	36.5%	37.7%	37.2%	37.4%
Vancouver CMA	24.5%	28.0%	29.6%	29.4%	30.5%

Appendix D – Methodology of the Rental Market Report

- **Primary rental survey:** Canada Mortgage and Housing Corporation (CMHC) conducts the Rental Market Survey (RMS) every year in October to estimate the relative strengths in the rental market. The survey is conducted on a sample basis in all urban areas with populations of 10,000 and more. The survey targets only privately initiated rental structures with at least three rental units, which have been on the market for at least three months. The survey collects market rent levels, turnover and vacancy unit data for all sampled structures.
- **Rented Condominium survey:** Canada Mortgage and Housing Corporation (CMHC) conducts the Condominium Apartment Survey (CAS) in September to estimate the relative strengths in the condo apartment rental market. The CAS collects the number of units being rented out and the vacancy and rent levels of these units in major urban areas, including Vancouver. The CAS is conducted by telephone interviews and information is obtained from the property management company, condominium (strata) board, or building superintendent. If necessary, this data can be supplemented by site visits if no telephone contact is made.