

# Saskatoon Rental Market Review and Outlook

Goodson Mwale, Senior Market Analyst  
November 22, 2012



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CANADA MORTGAGE AND HOUSING CORPORATION



## Rental Market Overview

- Apartment vacancy rates and rents

## Demand Side Factors:

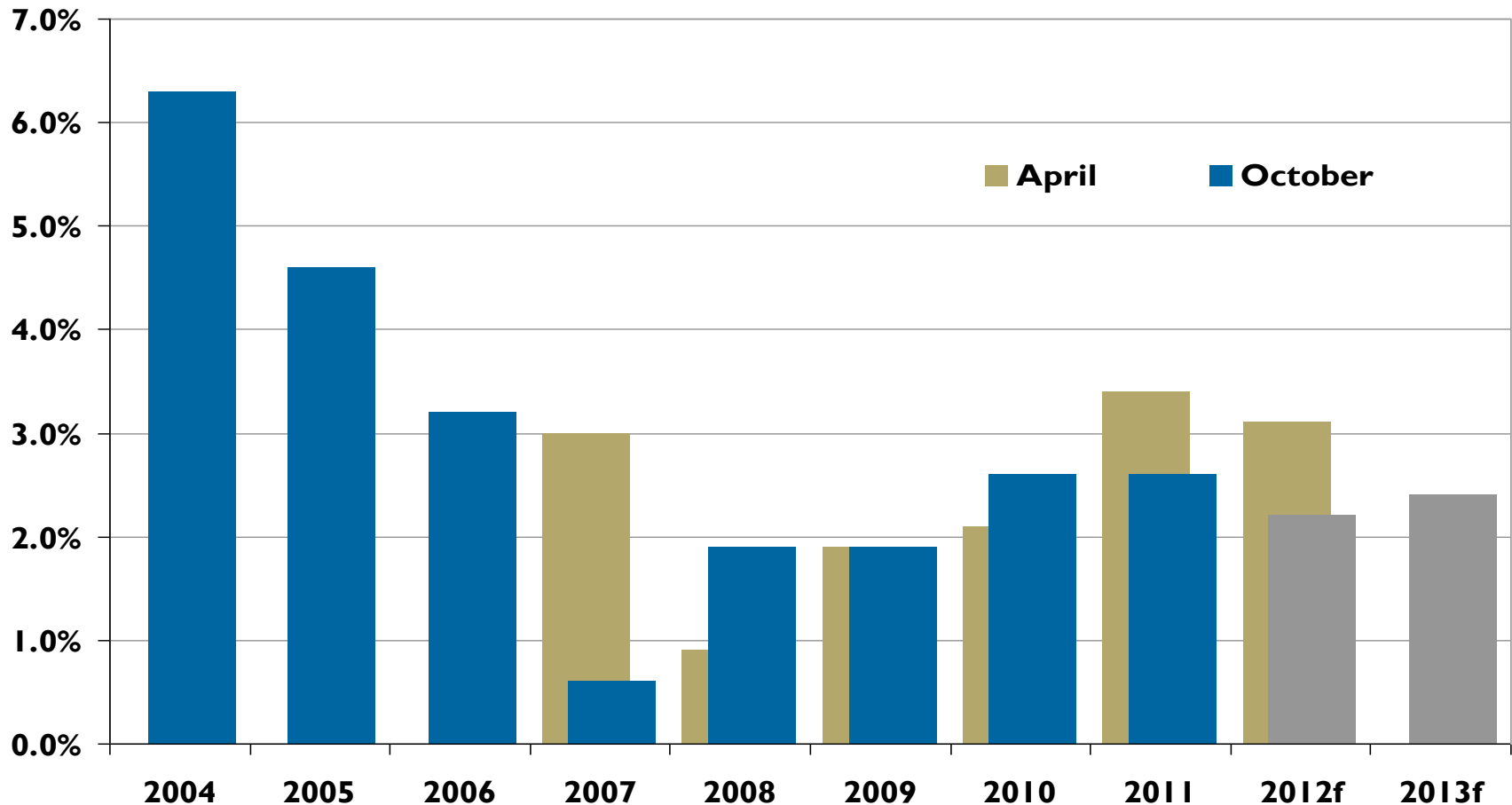
- Employment
- Net Migration
- Home Ownership Costs

## Supply Side Factors:

- Additions Via New Rental Construction
- Removals Via Conversion to Condominium

# Saskatoon Apartment Vacancy Rate

## *Vacancies to rise modestly in 2013, yet remain low*

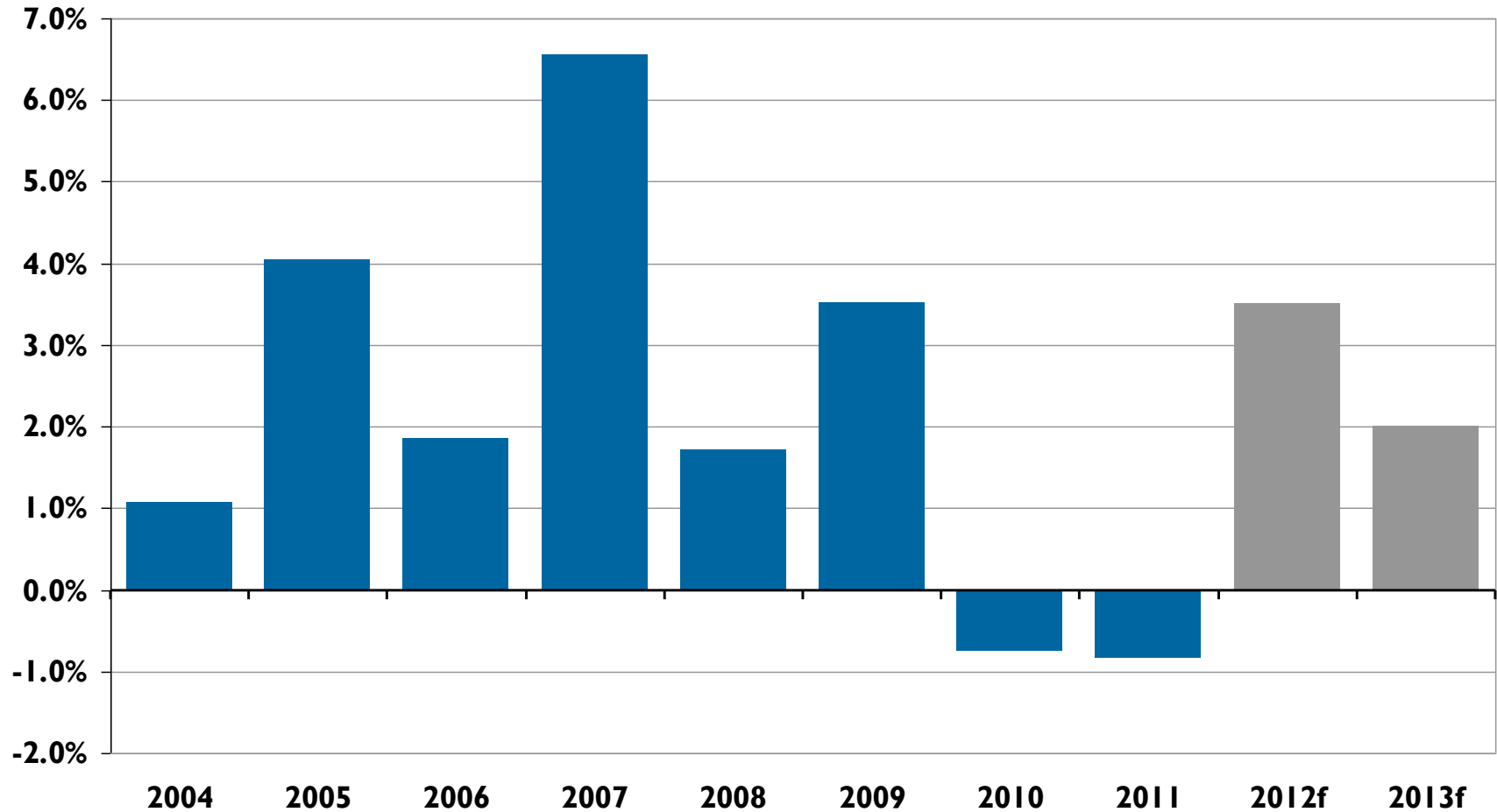


Source: CMHC, CMHC forecast (f)

# Saskatoon Employment Growth

## *Rebound in job creation attracting new migrants*

change in average employment

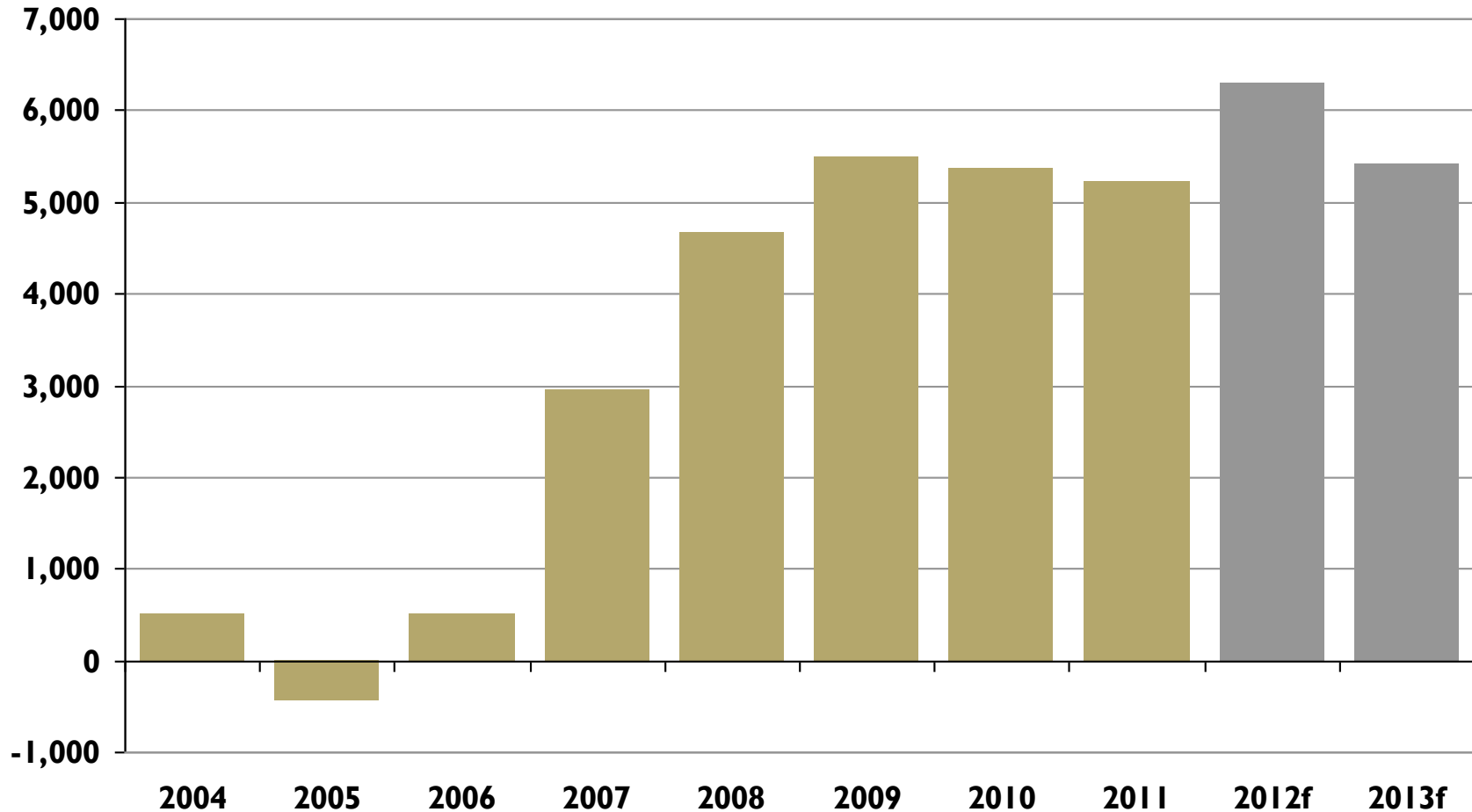


Source: Statistics Canada, CMHC forecast (f)

# Saskatoon Total Net Migration

## *Elevated net migration supporting rental demand*

net migration

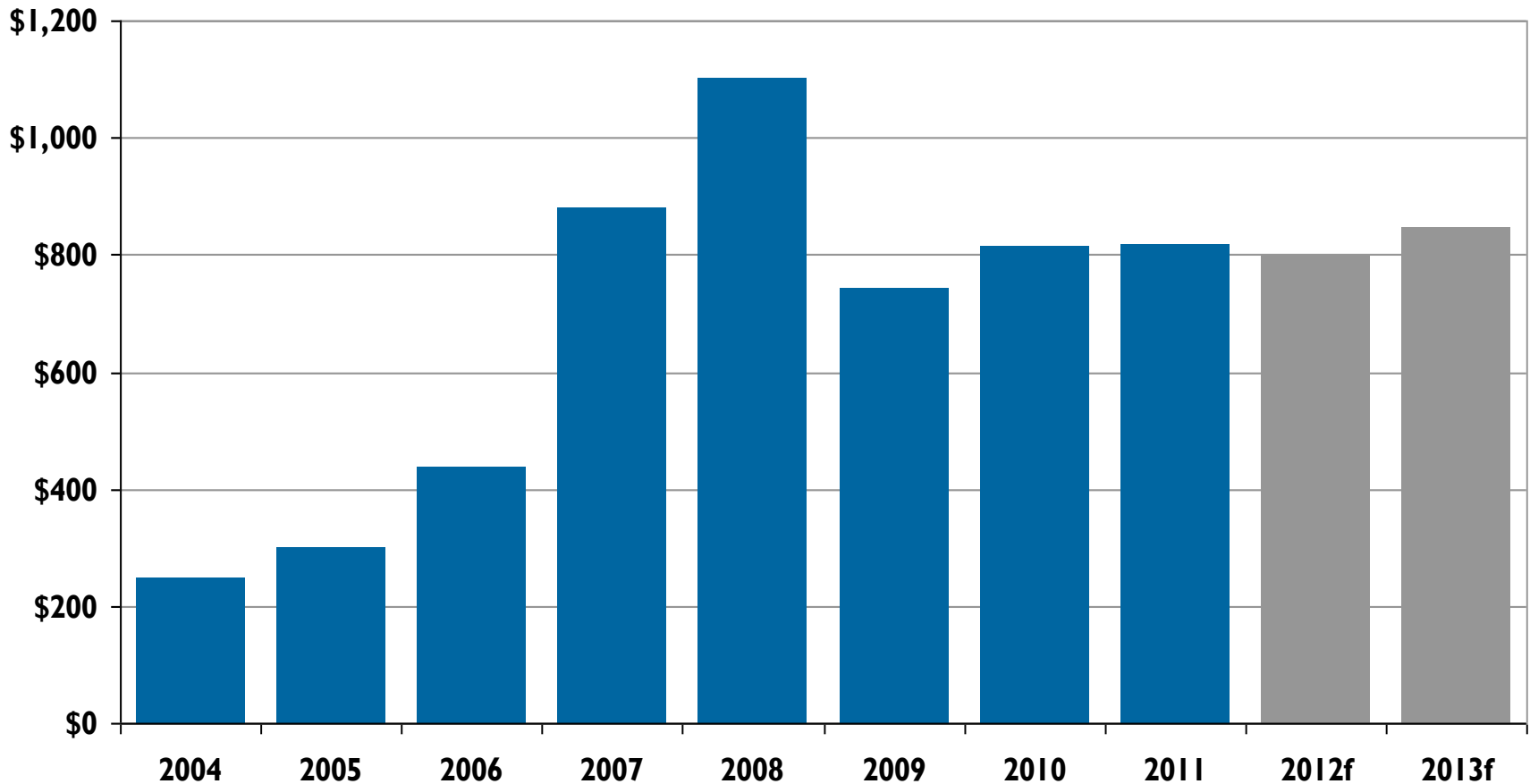


Source: Statistics Canada, CMHC forecast (f)

# Mortgage Payment - Monthly Rent

## Gap between renting and owning in Saskatoon will widen in 2013

monthly carrying costs minus average two bedroom rent (\$)

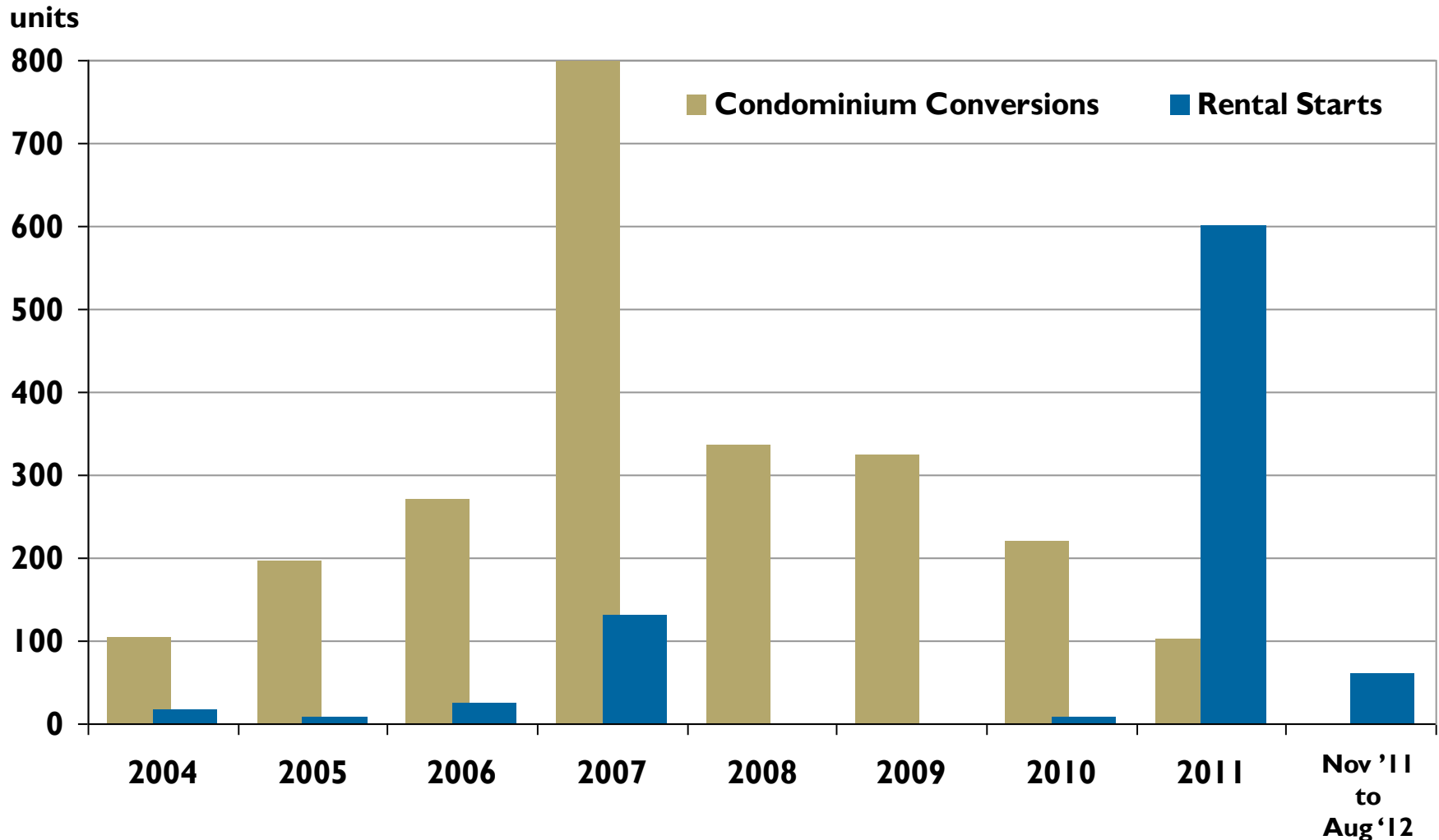


\* assumption: 5% down payment, average 5-year fixed mortgage rates

Source: CMHC

# Saskatoon Condo Conversions vs. Rental Starts

## Condo conversions declining while rental starts increase

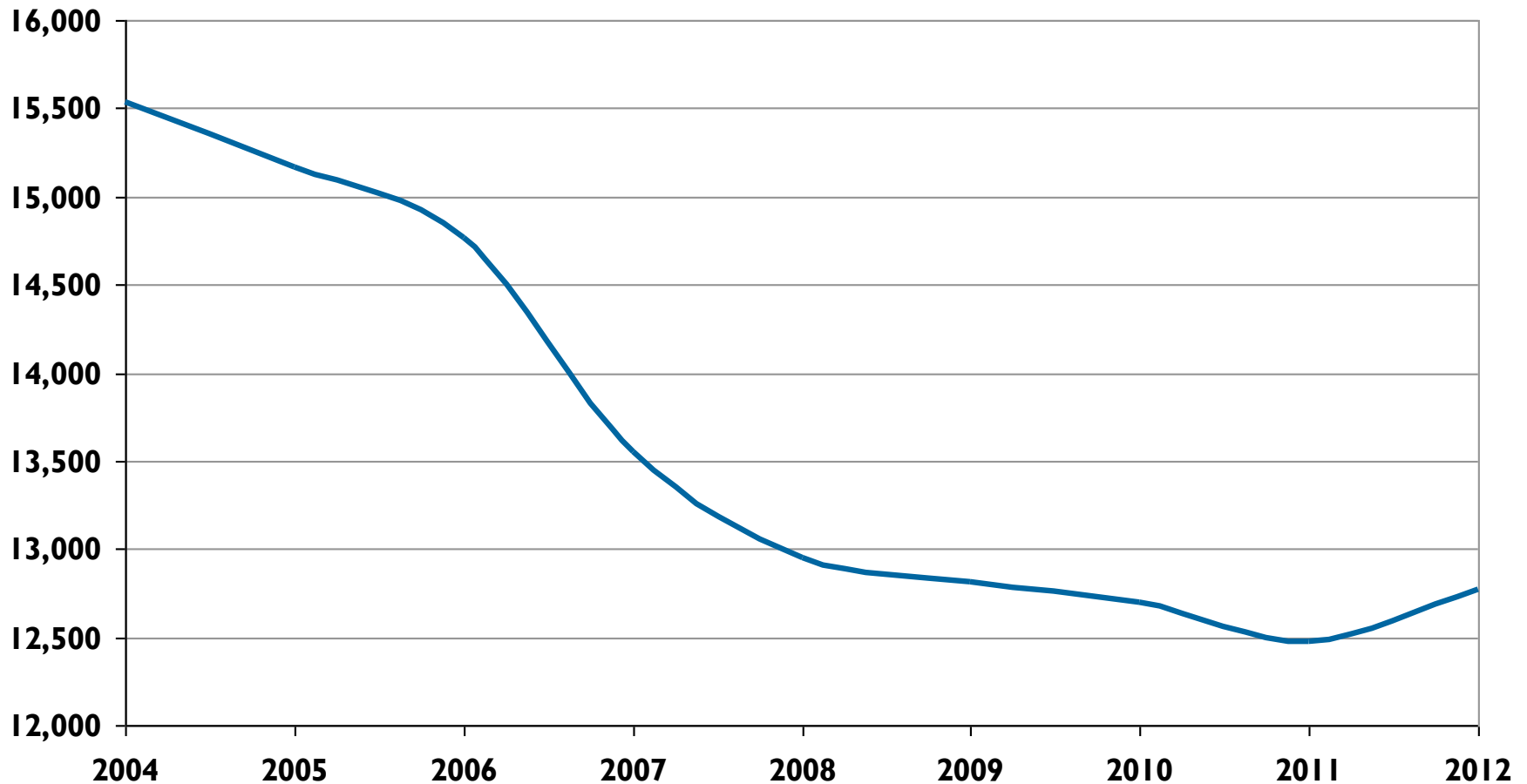


Source: CMHC, row and apartment, 12-month ending October

# Saskatoon Rental Market Universe

## *Rental universe rebounded in 2012 due to new additions*

rental units



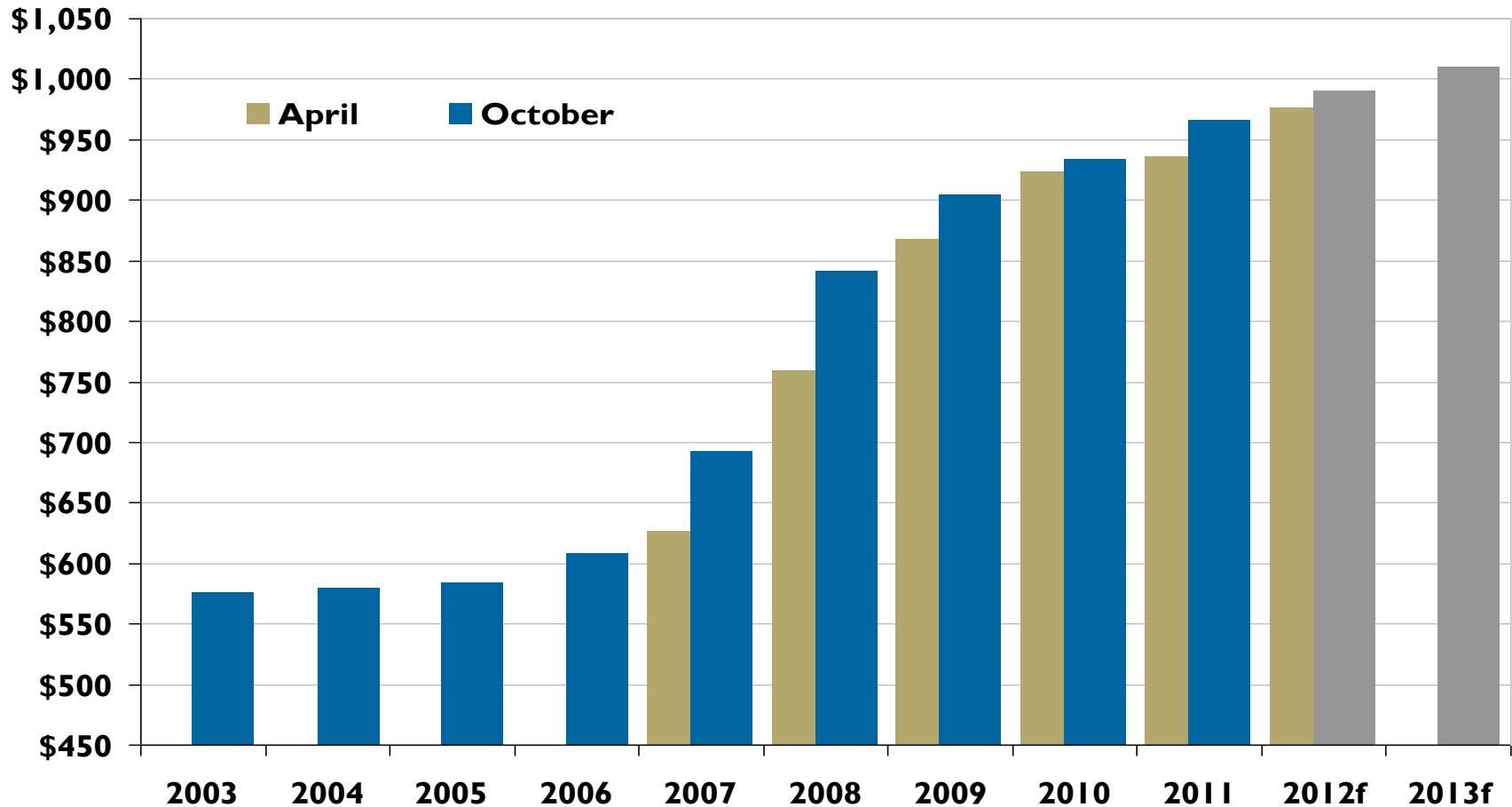
Source: CMHC, October surveys except for 2012



# Saskatoon Average Apartment Rent

*Low vacancies will support further rent increases*

average two-bedroom rent



Source: CMHC, CMHC forecast (f)

Goodson Mwale, Senior Market Analyst  
gmwale@cmhc.ca  
(403) 515-2984

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