

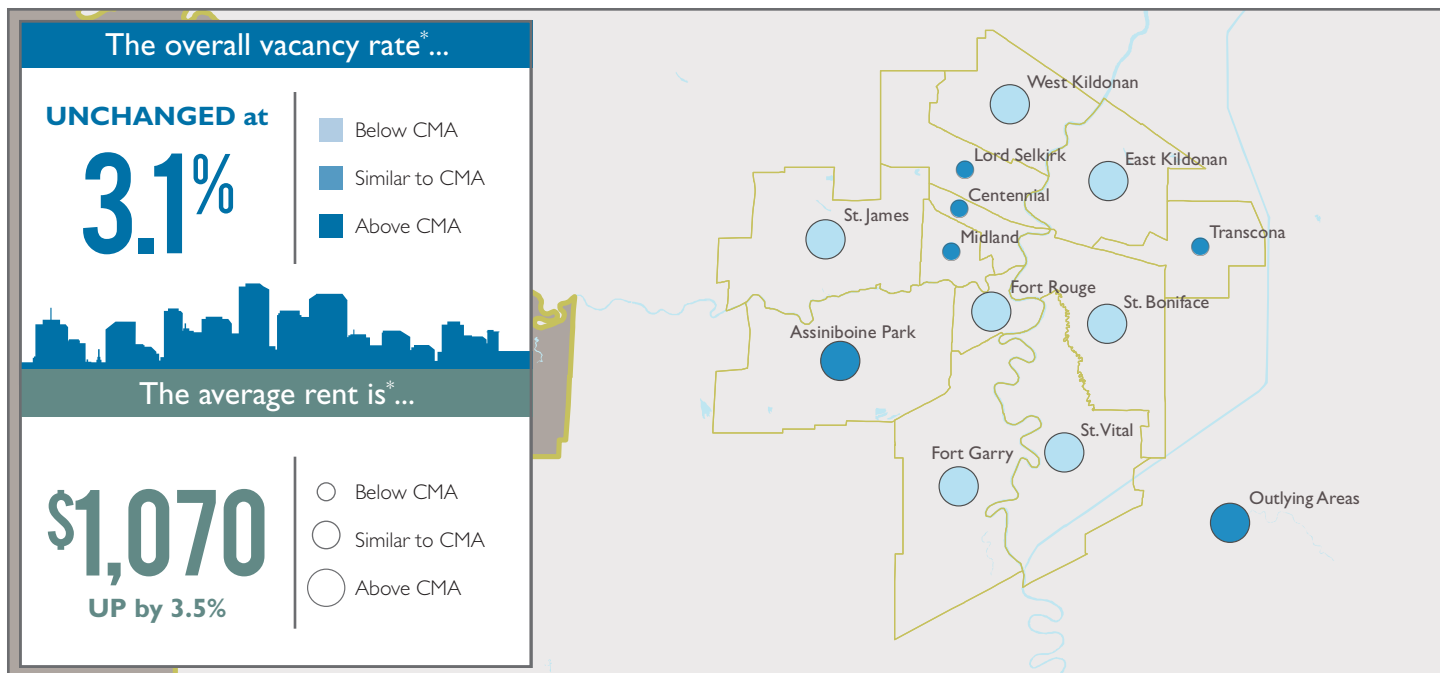
RENTAL MARKET REPORT

Winnipeg CMA



CANADA MORTGAGE AND HOUSING CORPORATION

Date Released: 2020



PRIMARY RENTAL MARKET (by bedroom type)			
Bachelor	One bedroom	Two bedroom	Three or more bedrooms
3.2%	3.4%	2.6%	5.9%
Vacancy Rate	Vacancy Rate	Vacancy Rate	Vacancy Rate
\$733 Avg. Rent	\$957 Avg. Rent	\$1,223 Avg. Rent	\$1,543 Avg. Rent

“Equal increases in both rental demand and supply resulted in a stable vacancy rate in the Winnipeg CMA.”

Christian Arkilley
Senior Analyst

*CMHC collects data on the primary and secondary rental market annually, in the fall. These data refer to the primary rental market, which only includes rental units in privately-initiated apartment structures containing at least three rental units. The secondary rental market covers rental dwellings that were not originally purpose-built for the rental market, including rental condominiums. The primary vacancy rate and rent level is based on all surveyed structures, while the rent increase is based only on structures common to the survey sample in both the current and previous year.

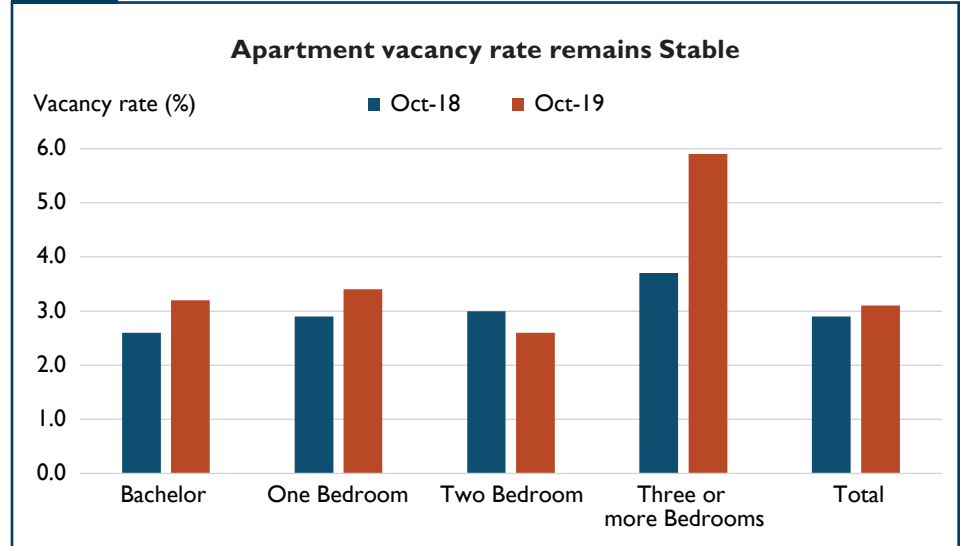
Highlights

- Winnipeg’s vacancy rate was stable at 3.1% as both demand and supply increased.
- The growth in same-sample rents slowed compared to the previous two years.
- The rental universe increased in both the purpose built and the condominium apartment markets.

Winnipeg’s vacancy rate remained stable

The results of CMHC’s Rental Market Survey show that the apartment vacancy rate¹ in the Winnipeg Census Metropolitan Area (CMA) was 3.1% in October 2019 compared to 2.9% in October 2018. Apartment vacancy rates moved upwards in bachelor, one- and three or more bedroom units with the highest upwards movement coming from the three or more-bedroom units, which increased to 5.9% in 2019 from 3.7% in 2018. The apartment vacancy rate for two-bedroom units however, decreased to 2.6% in 2019 from 3.0% in 2018. While the supply of purpose-built rental apartment units increased in 2019, the demand for rental units also increased, resulting in a stable vacancy rate. The growing demand for rental units in the Winnipeg CMA was to some extent a result of the affordability challenges due to rising mortgage rates, stricter mortgage qualification rules as well as other carrying costs associated with the homeownership market.

Figure 1



Source: CMHC Rental Market Survey

Increase in supply matched by higher demand

Elevated construction levels resulted in more apartment units completed in 2019, leading to an increase in the rental supply in the Winnipeg CMA. According to CMHC’s October 2019 Rental Market Survey, the apartment rental universe expanded by a net 890 units from the 2018 survey, with two-bedroom units contributing 440 or 49% of net additions. However, these changes also include 649 units that were temporarily or permanently removed² from the rental universe, which resulted in the size of the universe declining in some parts of the region. The rental universe increased in most areas of the Winnipeg CMA with the exception of St. James, West Kildonan, and St. Vital, where the universe recorded a net decrease.

The increase in the supply of rental apartment units was supported by stronger demand, as affordability challenges in the homeownership market resulted in a shift in demand to the rental market. The increase in the population of the young adults (aged 25-34 years) and seniors (aged 65+), which are both considered as prime renting cohorts, as well as positive levels of international migration also generated further demand in the rental market. There were improvements in labour market conditions in the Winnipeg CMA, with upturns in both full-time and part-time employment. The increase in demand for rental units is evidenced in the number of occupied apartment units, which moved upward by 743 units from 58,007 in 2018 to 58,750 in 2019.

¹ Based on privately-initiated rental apartment structures of three or more units.

² Units may be temporarily or permanently removed from the rental universe due to demolitions, condominium conversions, emptied for sale, major renovations or repairs.

Turnover Rates decreased

According to the 2019 CMHC Rental Market Survey, approximately a quarter of all rental apartment units in the Winnipeg CMA changed tenants every year, with the overall apartment turnover rate³ stable at 24.4% in October 2019. The turnover rates were stable in both suburban and core area neighbourhoods.

Growth in same-sample rents slowed

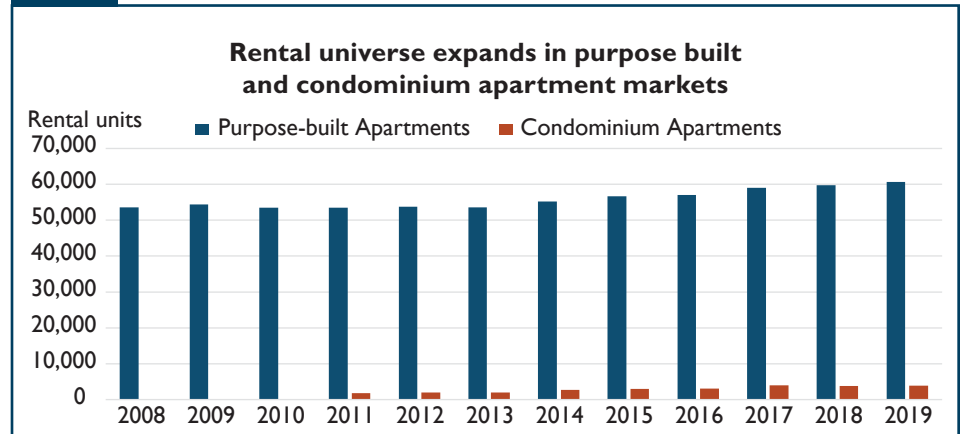
The rate at which same-sample average apartment rent was increasing slowed to 3.5% in October 2019 compared to 4.0% in October 2018. According to the October 2019 survey, same-sample apartment rents⁴ for bachelor and three or more-bedroom units grew by 4.5% and 4.8% respectively, 0.6 and 0.1 percentage points more than the increase in 2018. However, the rate of growth in same-sample apartment rents for one-and-two-bedroom units slowed in 2019, increasing at 3.5% (4.3% in 2018) and 3.1% (4.1% in 2018), respectively. Rents grew faster in core areas (4.3%) than the suburban areas (3.0%).

The average apartment rent for two-bedroom units for both new and existing structures was \$1,223 per month in October 2019 compared to \$1,179 a year earlier.

Supply of rental condominium apartments increased

The supply of rental condominium apartments increased by 2% from 3,813 in 2018 to 3,880 in 2019. Most of these rental condominium apartments are located in suburban areas in the

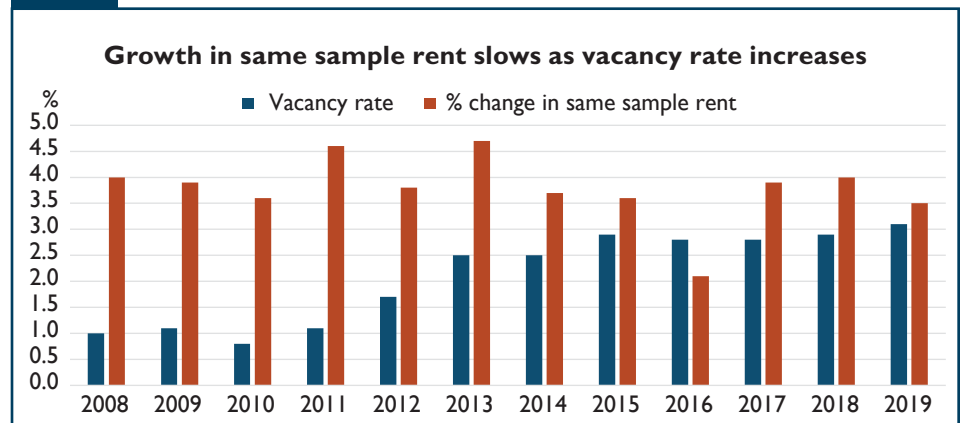
Figure 2



Source: CMHC Rental Market Survey

Note: 2008 to 2010 condominium apartments data suppressed to protect confidentiality or data not statistically reliable.

Figure 3



Source: CMHC Rental Market Survey

Note: The percentage change of average rent is based on structures that were common to the survey sample in both October 2018 and October 2019.

south of the city. As an alternative housing option, rental condominium apartments provide competition to the purpose built rental apartment market. Rental condominiums represented 20.3% of all condominiums in the Winnipeg CMA with an estimated universe of 19,129 units.

According to the October 2019 Rental Market Survey, the demand for condominium apartments in the Winnipeg CMA increased further in

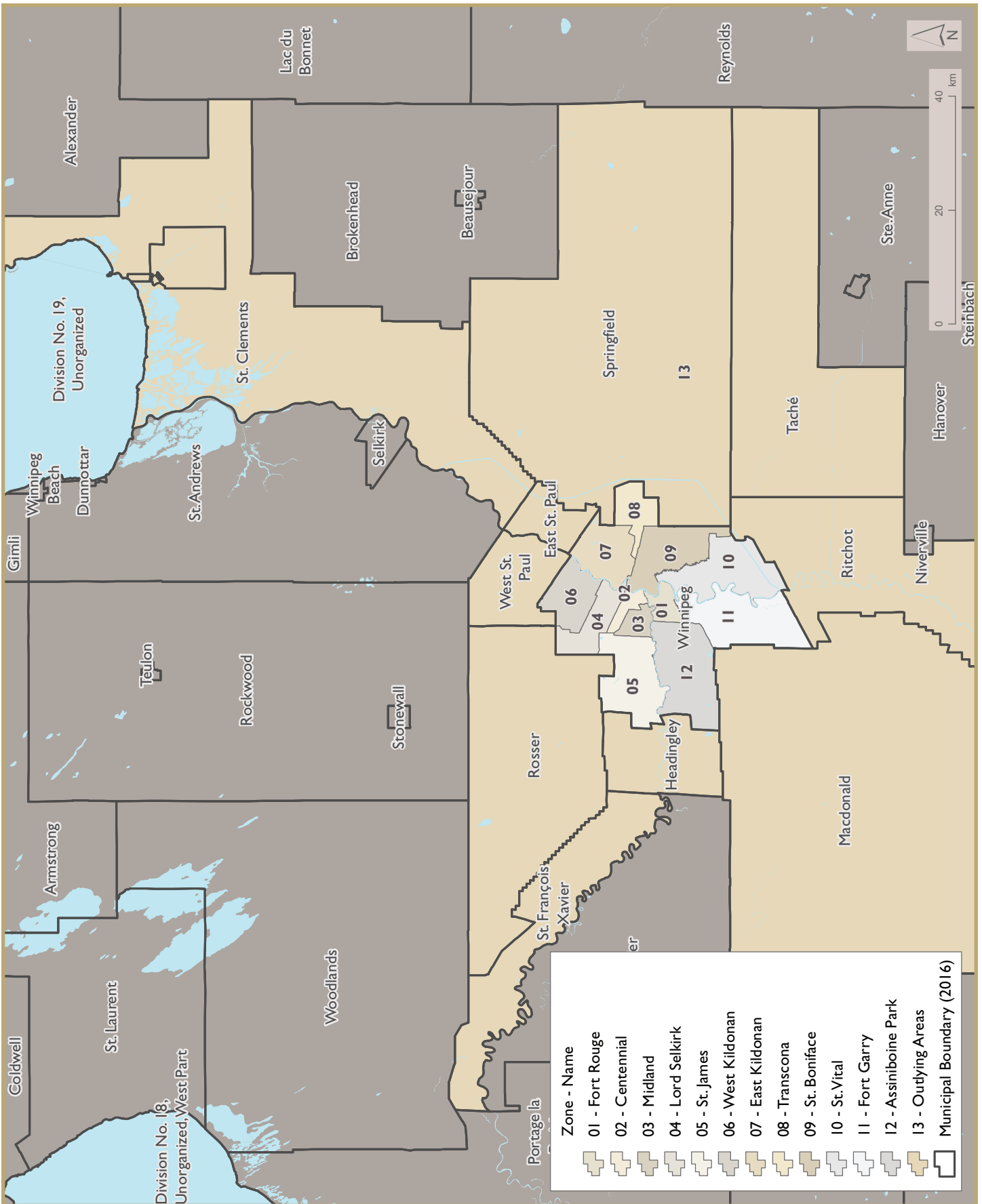
2019. The vacancy rate in the rental condominium market was 1.6% in October 2019 compared to 2.9% in October 2018. Condominium apartments tend to post higher average rents than apartments in the purpose built rental market as they typically offer more amenities. The average two-bedroom condominium apartment unit rented for \$1,412 per month in 2019, \$189 more than the average two-bedroom apartment rent in the purpose built rental market.

³ A unit is counted as being turned over if it was occupied by a new tenant in the past 12 months. A unit can be counted as being turned over more than once in a 12 month period. This includes tenants who move into a different unit in the same building during this time period.

⁴ When comparing year-over-year average rents, the age of the building needs to be taken into consideration because rents in newly-built structures tend to be higher than in existing buildings. By comparing rents for units that are common to both 2018 and 2019 October Rental Market Surveys, we can get a better indication of actual rent increases paid by most tenants.

RESOURCES

You can find this data – and data for all provinces and census metropolitan areas (CMAs) in Canada – at cmhc.ca/rental-market-report-data.



Zone - Name
01 - Fort Rouge
02 - Centennial
03 - Midland
04 - Lord Selkirk
05 - St. James
06 - West Kildonan
07 - East Kildonan
08 - Transcona
09 - St. Boniface
10 - St. Vital
11 - Fort Garry
12 - Assiniboine Park
13 - Outlying Areas
Municipal Boundary (2016)

RMS ZONE DESCRIPTIONS - WINNIPEG CMA	
Zone 1	Fort Rouge - North: Assiniboine River; East: Red River; South: Jubilee Avenue, Parker Avenue; West: Waverley St.
Zone 2	Centennial - North: C.P. Rail Winnipeg Yards; East: Red River; South: Assiniboine River to Osborne Street, north on Osborne to Portage Avenue, Portage to Sherbrook St., Sherbrook to Notre Dame Ave.; West: Keewatin St.
Zone 3	Midland - North: Notre Dame Avenue; East: Sherbrook Street to Portage Ave., Portage to Osborne St., to Assiniboine River; South: Assiniboine River; West: St. James Street.
Zone 4	Lord Selkirk - North : City limits to Ritchie St., south to Ritchie/Templeton intersection, West in a straight line to CPR Arborg, South along Keewatin Street to the north limit of the Inkster Industrial Park, the north limit of Inkster Industrial Park to Carruthers Avenue, Carruthers Avenue to McGregor, North along McGregor to Smithfield, Smithfield to the Red River; East: Red River; South: CPR Molson/Carberry; West: Brookside Blvd (city limits).
Zone 1-4	Core Area
Zone 5	St. James - North: City limits to CPR Carberry/CNR Oak Point; East: CNR Oak Point, St. James Street; South: Assiniboine River; West: City limits.
Zone 6	West Kildonan - North: City limits; East: Red River; South: (north limit of Zone 4); West: City limits.
Zone 7	East Kildonan - North: City limits; East: City limits to Gunn Road, Plessis Rd to Ravelston Ave; South: Ravelston Ave. to Owen St., Owen Street to Regent Avenue, Regent to Panet Road to Mission St.; West: Red River.
Zone 8	Transcona - North: City limits; East: City limits; South: City limits; West: Plessis Rd. to CNR Reddit to Panet Rd, Panet to Regent, Regent to Owen, Owen to Ravelston, Ravelston to Plessis, Plessis to the City limit.
Zone 9	St. Boniface - North: Missions St/CNR Reddit; East: Plessis Road; South: City limits; West: Seine River to Carriere Ave., Carriere to Red River, Red River.
Zone 10	St. Vital - North: Carriere Ave; East: Seine River; South: City limits; West: Red River.
Zone 11	Fort Garry - North: McGillivray Blvd to Waverley St., Waverley to Wilkes Avenue, Wilkes to Parker Avenue, Parker Avenue to Jubilee Avenue; East: Red River; South: City limits; West: City limits.
Zone 12	Assiniboine Park - North: Assiniboine River; East: Waverley Ave.; South: McGillivray/City limits; West: City limits.
Zones 5-12	Suburban Areas
Zone 13	Outlying Areas
Zones 1-13	Winnipeg CMA

CONDOMINIUM SUB AREA DESCRIPTIONS - WINNIPEG CMA	
Sub Area 1	Core
Sub Area 2	Suburban North
Sub Area 3	Suburban South
Sub Area 4	Outlying Areas
Sub Areas 1-4	Winnipeg CMA

NOTE: Refer to RMS Zone Descriptions page for detailed zone descriptions.

TECHNICAL NOTE:

Difference between Percentage Change of Average Rents (Existing and New Structures) AND Percentage Change of Average Rents from Fixed Sample (Existing Structures Only):

Percentage Change of Average Rents (New and Existing Structures): The increase/decrease obtained from the calculation of percentage change of average rents between two years (example: \$500 in the previous year vs. \$550 in current survey represents an increase of 10 percent) is impacted by changes in the composition of the rental universe (e.g. the inclusion of newly built luxury rental buildings in the survey, rental units renovated/upgraded or changing tenants could put upward pressure on average rents in comparison to the previous year) as well as by the rent level movement (e.g. increase/decrease in the level of rents that landlords charge their tenants).

Percentage Change of Average Rents from Fixed Sample (Existing Structures Only): This is a measure that estimates the rent level movement. The estimate is based on structures that were common to the survey sample for both the previous year and the current Rental Market Surveys. However, some composition effects still remain e.g. rental units renovated/upgraded or changing tenants because the survey does not collect data to such level of details.

METHODOLOGY FOR RENTAL MARKET 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.

The survey is conducted by a combination of telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent. The survey is conducted during the month of October, and the results reflect market conditions at that time.

CMHC is constantly reviewing the Universe of rental structures in the rental market Universe to ensure that it is as complete as possible. Every year, any newly completed rental structures with at least 3 rental units are added to the Universe. In addition to this, CMHC undertakes comprehensive reviews by comparing the Universe listing to other sources of data to ensure that the list of structures is as complete as possible.

CMHC's Rental Market Survey provides a snapshot of vacancy and turnover rates and average rents in both new and existing structures. There also exists a measure for the change in rent that is calculated based on existing structures only. The estimate is based on structures that were common to the survey sample for both the previous and the current Rental Market Surveys. The change in rent in existing structures is an estimate of the change in rent that the landlords charge and removes compositional effects on the rent level movement due to new buildings, conversions, and survey sample rotation. The estimate of percent change in rent is available in all Canada and Provincial Highlights publications, and also in the CMA reports. The rent levels in new and existing structures are also published. While the percent change in rents in existing structures published in the reports are statistically significant, changes in rents that one might calculate based on rent levels in new and existing structures may or may not be statistically significant.

METHODOLOGY FOR CONDOMINIUM APARTMENT 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 the following CMAs: Calgary, Edmonton, Gatineau, Halifax, Hamilton, Kelowna, Kitchener, London, Montréal, Ottawa, Québec, Regina, Saskatoon, Toronto, Vancouver, Victoria and Winnipeg. The CAS is a census of all apartment condos with 3 units and over, with the exception of Montréal, where a sample of structures is surveyed. 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.

RENTAL MARKET SURVEY (RMS) AND CONDOMINIUM APARTMENT SURVEY (CAS) DATA RELIABILITY

CMHC does not publish an estimate (e.g. Vacancy Rates and Average Rents) if the reliability of the estimate is too low or the confidentiality rules are violated. The ability to publish an estimate is generally determined by its statistical reliability, which is measured using the coefficient of variation (CV). CV of an estimate is defined as the ratio of the standard deviation to the estimate and CV is generally expressed a percentage. For example, let the average rent for one bedroom apartments in a given CMA be \bar{x} and its standard deviation be $\sigma_{\bar{x}}$. Then the Coefficient of Variation is given by $CV = \frac{\sigma_{\bar{x}}}{\bar{x}}$.

Reliability Codes for Proportions

CMHC uses CV, sampling fraction and universe size to determine the ability to publish proportions such as vacancy rates, availability rates and turnover rates. The following letter codes are used to indicate the level of reliability of proportions:

- a — Excellent
- b — Very good
- c — Good
- d — Fair (Use with Caution)
- ** — Poor — Suppressed
- ++ — Change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0).
- No units exist in the universe for this category
- n/a — Not applicable

The following two tables indicate the level of reliability of proportions:

If the proportion is Zero (0) and sampling fraction is less than 100% then the following levels are assigned:

Sampling Fraction (%) range

Structures in Universe	(0,20]*	(20,40]	(40,60]	(60,80]	(80,100)
3 – 10	Poor	Poor	Poor	Poor	Poor
11 – 20	Poor	Fair	Fair	Fair	Good
21 – 40	Poor	Fair	Fair	Good	Very Good
41 – 80	Poor	Fair	Good	Good	Very Good
81+	Poor	Good	Good	Very Good	Very Good

*(0, 20] means sampling fraction is greater than 0% but less than or equal to 20%; others are similar.

Otherwise, the following table is used to determine the reliability level of proportions:

Coefficient of Variation (CV) %

Vacancy Rate	0	(0,5]	(5,10]	(10,16.5]	(16.5,33.3]	(33.3,50]	50+
(0,0.75]	Excellent	Excellent	Excellent	Excellent	Excellent	V. Good	V. Good
(0.75,1.5]	Excellent	Excellent	Excellent	Excellent	Excellent	Fair	Poor
(1.5,3]	Excellent	Excellent	Excellent	V. Good	Good	Poor	Poor
(3,6]	Excellent	Excellent	V. Good	Good	Fair	Poor	Poor
(6,10]	Excellent	Excellent	V. Good	Good	Poor	Poor	Poor
(10,15]	Excellent	Excellent	Good	Fair	Poor	Poor	Poor
(15,30]	Excellent	Excellent	Fair	Poor	Poor	Poor	Poor
(30,100]	Excellent	Excellent	Poor	Poor	Poor	Poor	Poor

Reliability Codes for Averages and Totals

CMHC uses the CV to determine the reliability level of the estimates of average rents and a CV cut-off of 10% for publication of totals and averages. It is felt that this level of reliability best balances the need for high quality data and not publishing unreliable data. CMHC assigns a level of reliability as follows (CV's are given in percentages):

- a — If the CV is greater than 0 and less than or equal to 2.5 then the level of reliability is **Excellent**.
- b — If the CV is greater than 2.5 and less than or equal to 5 then the level of reliability is **Very Good**.
- c — If the CV is greater than 5 and less than or equal to 7.5 then the level of reliability is **Good**.
- d — If the CV is greater than 7.5 and less than or equal to 10 then the level of reliability is **Fair**.
- ** — If the CV is greater than 10 then the level of reliability is **Poor**. (Do Not Publish)

Arrows indicate Statistically Significant Changes

Use caution when comparing statistics from one year to the next. Even if there is a year over year change, it is not necessarily a statistically significant change. When applicable, tables in this report include indicators to help interpret changes:

↑ indicates the year-over-year change is a statistically significant increase.

↓ indicates the year-over-year change is a statistically significant decrease.

– indicates that the effective sample does not allow one to interpret any year-over-year change as being statistically significant.

△ indicates that the change is statistically significant

DEFINITIONS

Availability: A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy below).

Rent: The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit.

It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent.

Rental Apartment Structure: Any building containing three or more rental units, of which at least one unit is not ground oriented. Owner-occupied units are not included in the rental building unit count.

Rental Row (Townhouse) Structure: Any building containing three or more rental units, all of which are ground oriented with vertical divisions. Owner-occupied units are not included in the rental building unit count. These row units in some centres are commonly referred to as townhouses.

Vacancy: A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Turnover: A unit is counted as being turned over if it was occupied by a new tenant moved in during the past 12 months. A unit can be counted as being turned over more than once in a 12 month period.

Definitions of Census Areas referred to in this publication are as follows:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 50,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

October 2017 and October 2018 data is based on Statistics Canada's 2016 Census area definitions.

Acknowledgement

The Rental Market Survey and the Condominium Apartment Survey could not have been conducted without the cooperation of the rental property owners, managers, building superintendents and household members throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information. As a result of their contribution CMHC is able to provide information that benefits the entire housing industry.

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