

## Hamilton's Rental Market Report (CMHC Outlook 2014)

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**Low Rental Vacancy- Good news for General Investor.** According to CMCH's Outlook report, Hamilton will continue to be an attractive place to invest in 2015 and going forward. Rents will increase with vacancy rates moving lower. Despite of all the new condos being constructed the rental market should remain healthy.



Red more:

### **Rental Market: Expect Vacancy Rate to Tighten (CMHC Nov. 2014)**

Hamilton's average rental apartment vacancy rate is forecast to decline slightly in 2014. Unfavourable employment conditions for young adults will discourage some potential renters from forming a separate household. Higher youth unemployment rate will partially offset the strong rental demand coming from new immigrants. International migration has historically been a strong driver of population growth in the Hamilton area. Typically, new immigrants tend to lack the credit history and savings to jump into homeownership. As a result, most of these new immigrants move into rental accommodation upon arriving in Canada. This phenomenon tends to put downward pressure on apartment vacancy rates in Hamilton.

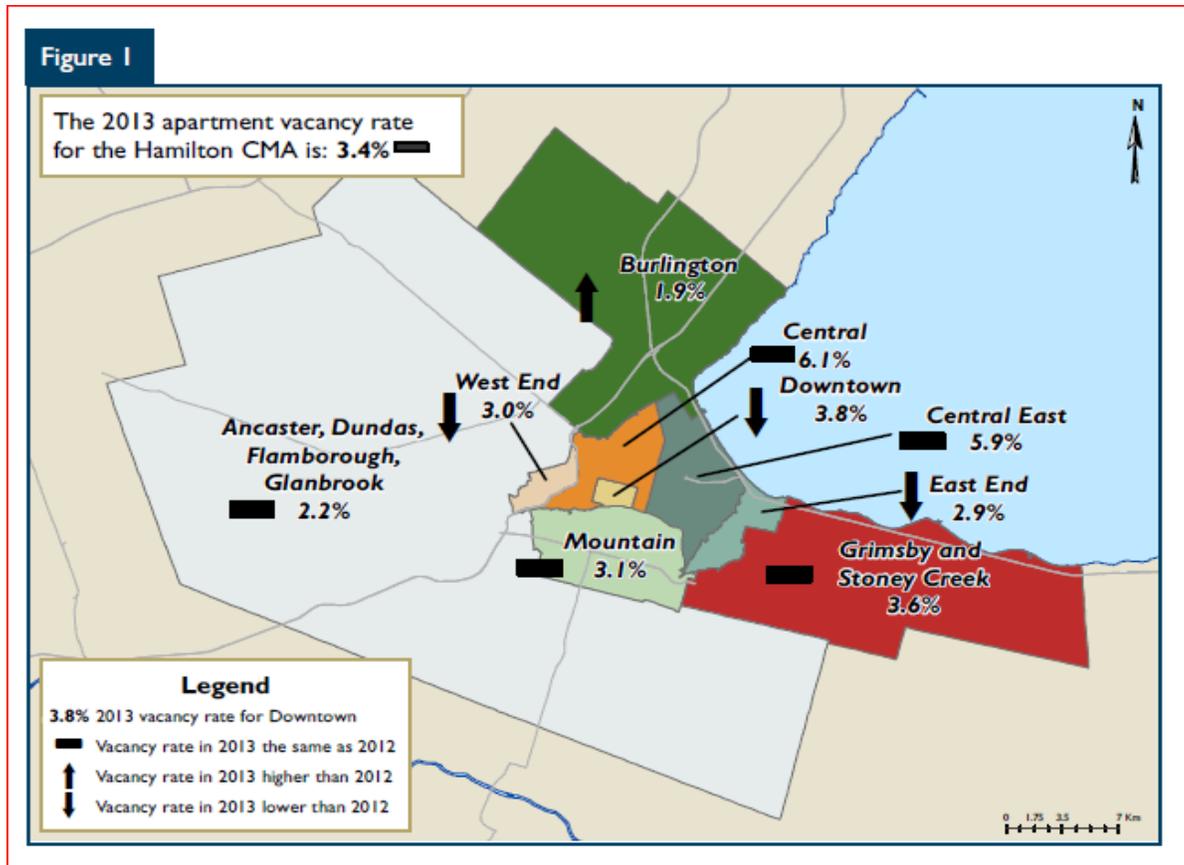
On the supply side, an increase in the number of rental apartment units currently under construction will translate to higher completions in late 2014 and into the first half of 2015.

### **Improving youth employment**

Young adults are predominantly renters. As a result, there is an inverse relationship between the average rental apartment vacancy rate and full-time employment among young adults less than 25 years of age.

Given their financial constraints, young adults would generally opt for entry level apartments which are typically older structures. As of September 2013, year-to-date fulltime employment among young adults aged 15 to 24 increased by 0.4 per cent from the same period in 2012. The steady employment gains likely encouraged some young adults to stop doubling up with roommates or leave their parental homes to form new households, which bodes well for rental housing demand.

## VACANCY RATES HIGHEST IN HAMILTON CENTRAL AREA



## HAMILTON COMPARED TO OTHER REGIONS IN ONTARIO

Housing Market Outlook - Ontario Region Highlights - Date Released - Fourth Quarter 2014

Ontario Region Housing Forecast - Rental Market								
	Vacancy Rate				Average Rent 2-Bedroom Units			
	Oct 2013	Oct 2014(F)	Oct 2015(F)	Oct 2016(F)	Oct 2013	Oct 2014(F)	Oct 2015(F)	Oct 2016(F)
Barrie	3.0	2.7	2.8	2.7	1,048	1,055	1,075	1,095
Brantford	2.9	3.6	3.3	3.1	835	845	860	880
Greater Sudbury	3.4	4.0	4.3	4.6	914	930	950	965
Guelph	1.9	1.9	2.1	2.0	957	970	985	1,010
HAMILTON	3.4	3.2	3.0	2.9	932	940	955	975
Kingston	2.3	2.5	2.8	2.6	1,054	1,080	1,105	1,125
Kitchener	2.9	3.2	3.2	3.0	952	970	990	1,010
London	3.3	3.5	3.5	3.2	924	930	940	960
Oshawa	2.1	2.2	2.0	1.9	985	995	1,010	1,020
Ottawa	2.9	3.2	3.4	3.0	1,132	1,140	1,160	1,170
Peterborough	4.8	5.1	5.4	5.4	915	925	935	945
St. Catharines-Niagara	4.1	4.7	4.3	3.1	872	890	905	920
Thunder Bay	2.6	2.4	2.2	2.1	858	875	895	920
Toronto	1.6	1.8	1.9	1.8	1,213	1,225	1,230	1,240
Windsor	5.9	5.0	4.7	4.5	788	805	815	830
Canada <sup>1</sup>	2.7	2.6	2.7	2.7	920	947	963	981

Source: CMHC Fall Rental Market Survey

(F) = CMHC Forecast

<sup>1</sup> All centres 100,000+

