

Vacancy rates hit new low thanks to condo conversions

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The challenge of finding a suitable place to live has become even more daunting after Winnipeg's overall apartment vacancy rate dropped to its lowest level on record.

Canada Mortgage and Housing Corporation said two factors -- the arrival of thousands of new immigrants and the disappearance of 835 rental units over the past year -- have combined to drive down the vacancy rate to 0.8 per cent from 1.1 per cent in October of last year.

Not only is that the lowest it's been since 1990 when the agency began tracking vacancy rates, but it's also the lowest among the 34 Canadian cities surveyed as part of its [Fall Rental Market Survey](#).

While Winnipeg's number sounds grim, some other Manitoba cities and some neighbourhoods within Winnipeg have it even worse. In Transcona, the overall vacancy rate is zero. And in Thompson, it's 0.3 per cent.

To further compound renters' woes, CMHC said the reduced supply of vacant suites also pushed up the overall average rent for a two-bedroom apartment in Manitoba by 4.3 per cent to \$815 a month from \$788. And in Winnipeg, it jumped to \$837 from \$809 -- an increase of 3.6 per cent.

CMHC noted that while Manitoba's rent control guideline for this year is one per cent, newer and recently renovated apartments are exempt. That's why the overall rental increases exceed the guideline.

"Fewer units were found vacant (in Winnipeg) in October 2010 due to heightened demand brought on by an influx of international immigrants," said Dianne Himbeault, CMHC's senior market analyst for Manitoba. "A reduction in supply was also a factor, as 835 suites were removed from the rental universe since the previous October survey."

On the positive note, there have been more new rental units started in the first 11 months of this year in the Winnipeg Census Metropolitan Area than in the previous two years combined -- 709 versus 705.

But the problem is existing units disappear faster than they can be replaced. Himbeault said 356 of the 835 that were removed in the past year were converted to condominiums. The rest were either demolished, temporarily removed due to renovations, combined with other units to create larger suites, or converted to student housing.

She said this year's conversion-to-condos rate is well above the five-year average of 235 units per year. It also exceeds last year's tally of 306.

For full story, [click here](#). Also see [Rental Vacancy Rate Plummets Further](#).

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