



GTA Rental Market Overview

2nd February 2017

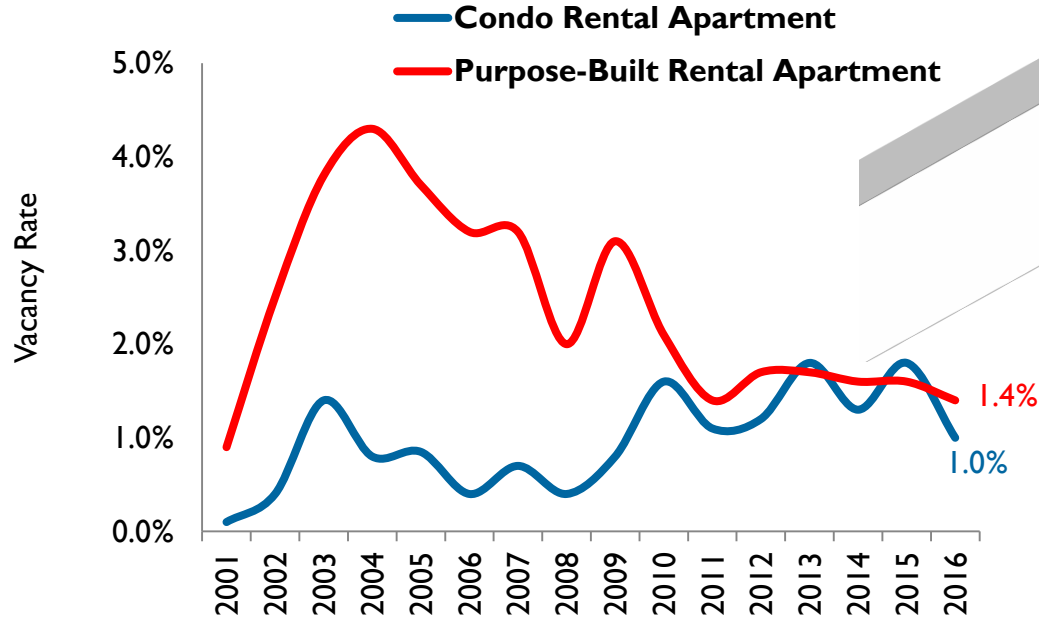
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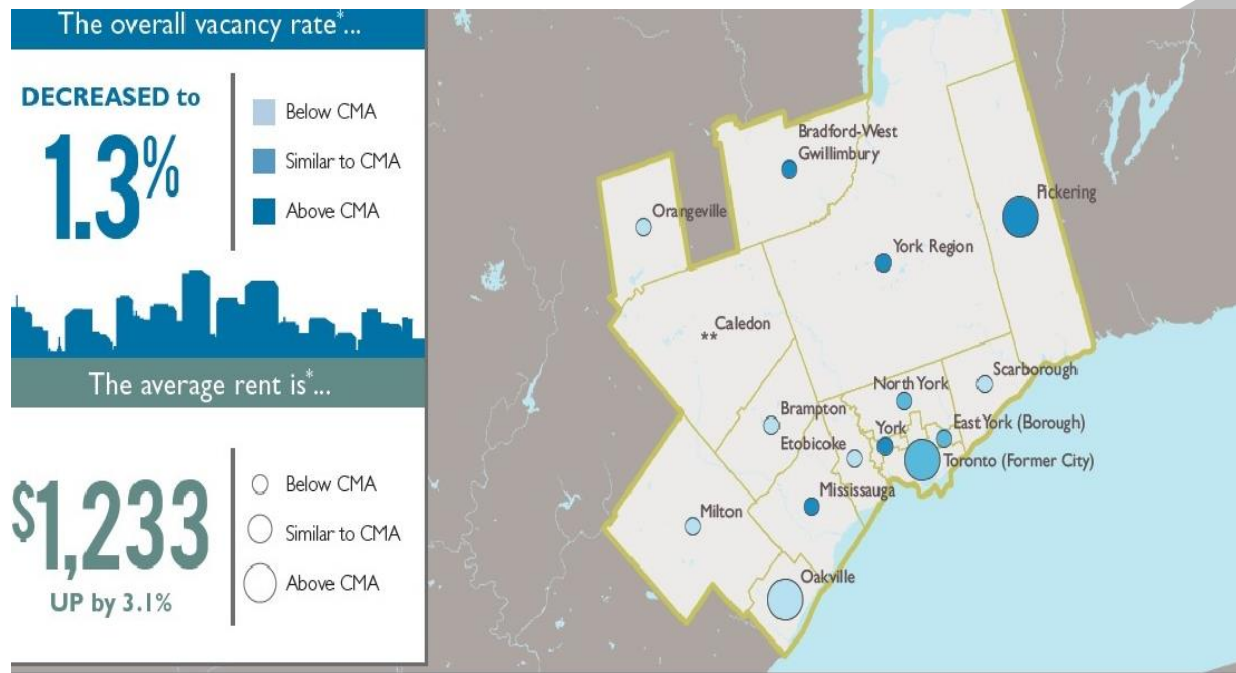
Low Vacancy Rates Persist in the GTA



Source: CMHC



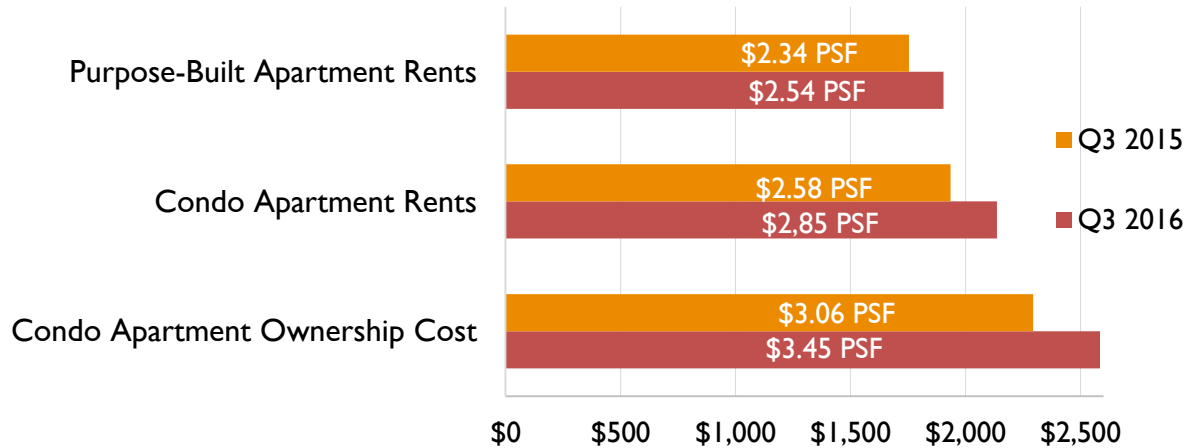
Rental Market Conditions Vary by Area



Source: CMHC



Homeownership Costs Continue to Rise



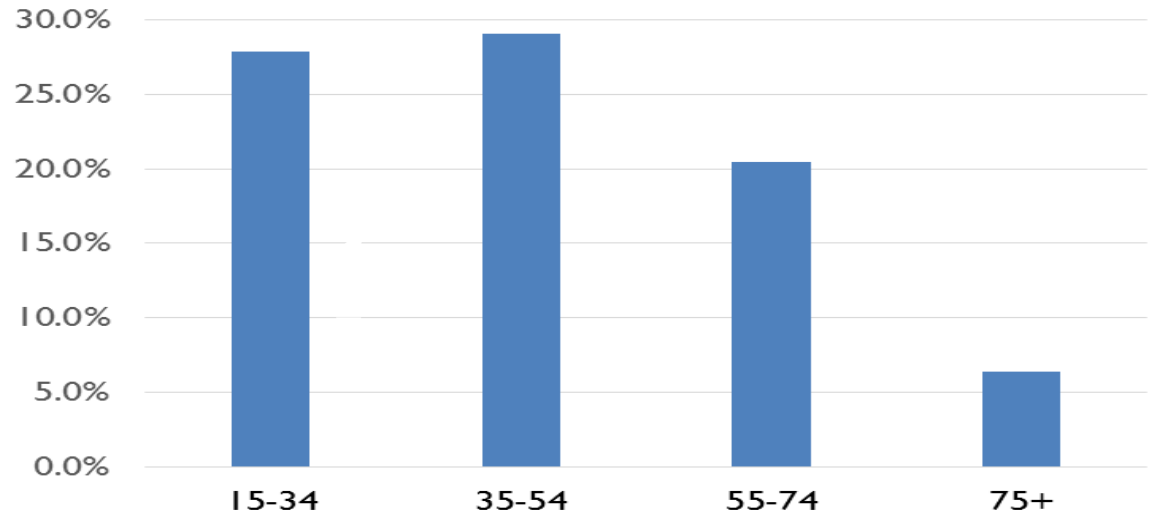
*Based on Q3 2015 and Q3 2016 avg. condo resale prices and rents for 750 SFT unit, in the buildings **completed since 2005**. Ownership costs assume 10 per cent down, 25-year amortization, discounted 5-year mortgage rate, and includes maintenance fees and property tax.

Source: Urbanation, TREB, Statistics Canada, CMHC



Millennials Account for Large Share of Population

* Millennials made up 28 per cent of the GTA population in 2016

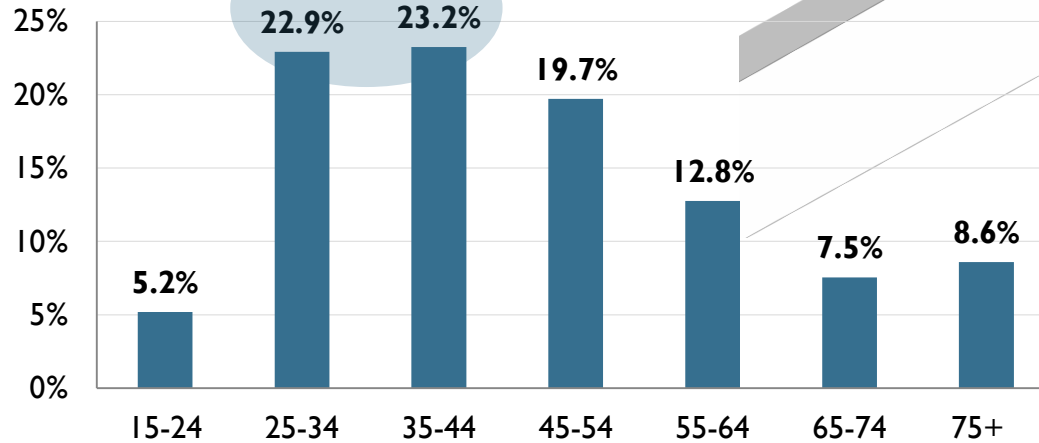


Source: Ontario Ministry of Finance (2016), CMHC



...and Drive Rental Demand

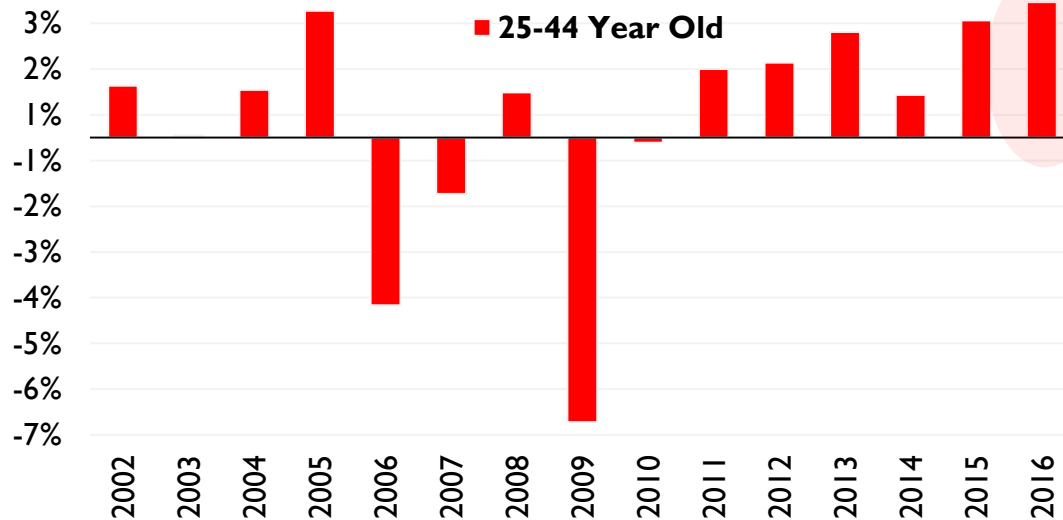
Proportion of Renters



Source: Census 2011, CMHC Estimates



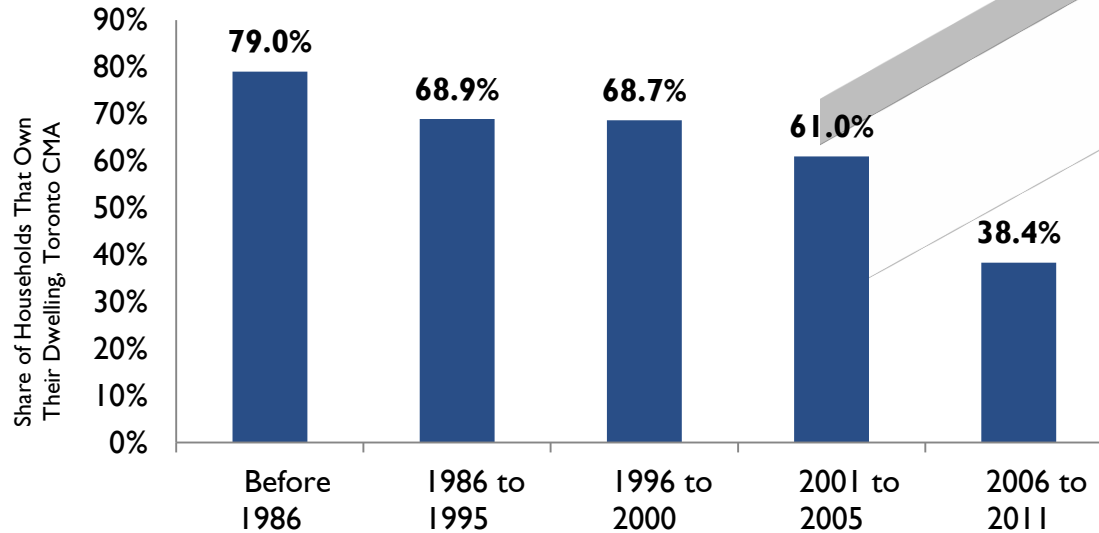
Strong Employment Growth Among Renters



Source: Statistics Canada, CMHC



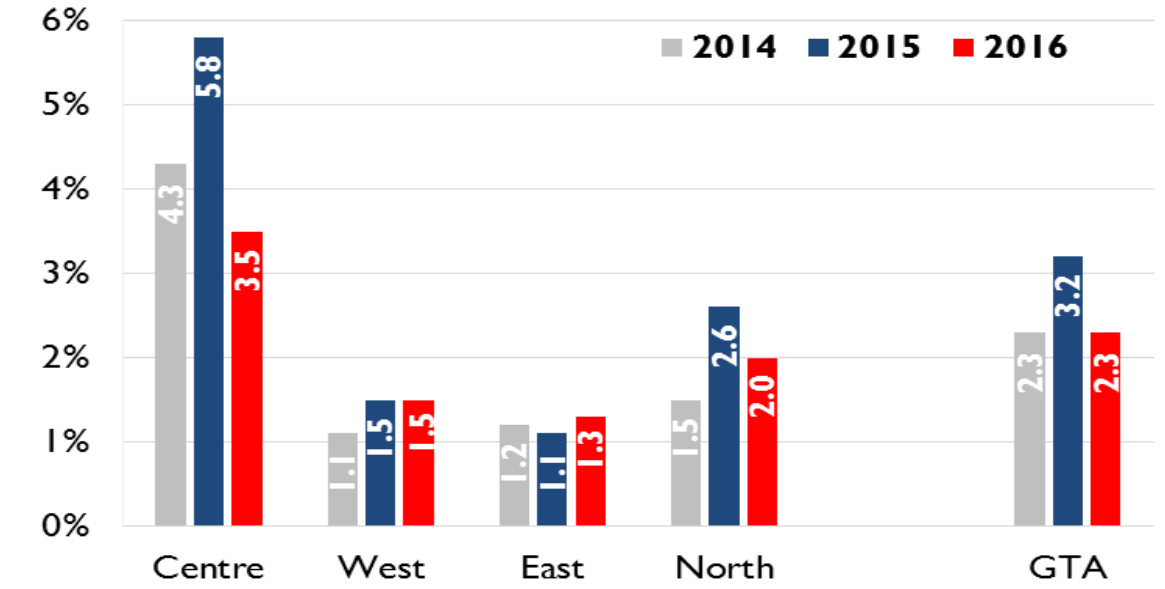
Immigrant Demand for Rental Accommodation



Source: Statistics Canada (2011 National Household Survey)



Foreign Ownership of Condominium Apartments Remains Low

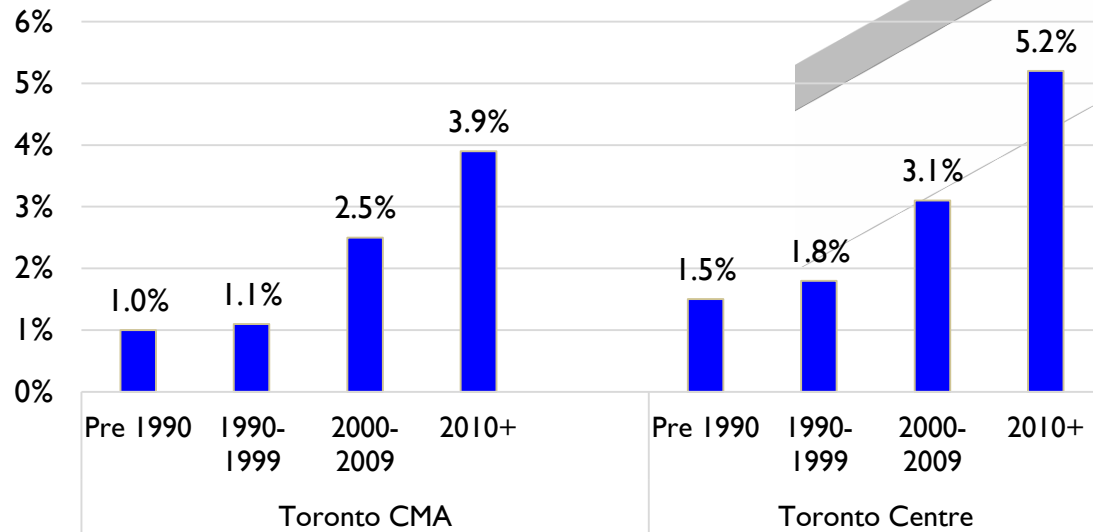


Source: CMHC Condo Vacancy Survey, 2016



Higher Concentration of Foreign Owners in Newer Buildings

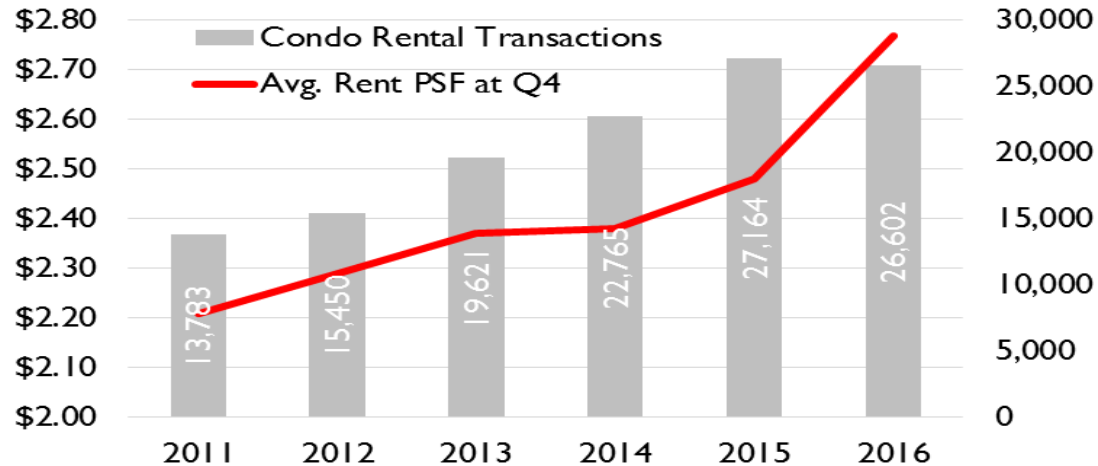
Share of Condominium Units Owned by Non-Residents



Source: CMHC Condo Vacancy Survey, 2016



Strong Rent Growth for Condo Apartments



***Avg. Rent PSF for units completed in 2016: \$3.1**

Source: Urbanation Q4, 2016, TREB, CMHC



Positive Cash Flows Encourage Investors to Hold

Rents for 750 SF condo apartment completed in 2016: **\$2,325**

Carrying cost for 750SF apartment completed in 2016: **\$2,207**

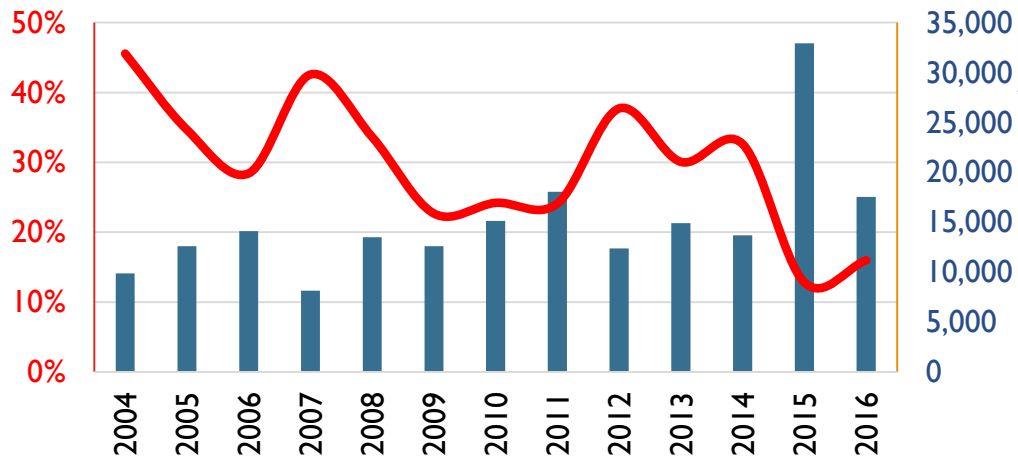
*Ownership carrying cost for 750 SF unit purchased 4 years ago at pre-construction. It assumes 20 per cent down payment, 25-year amortization, discounted 5-year mortgage rate, and includes maintenance fees and property tax.

Source: Urbanation, CMHC



More Investors are in for the Long Haul

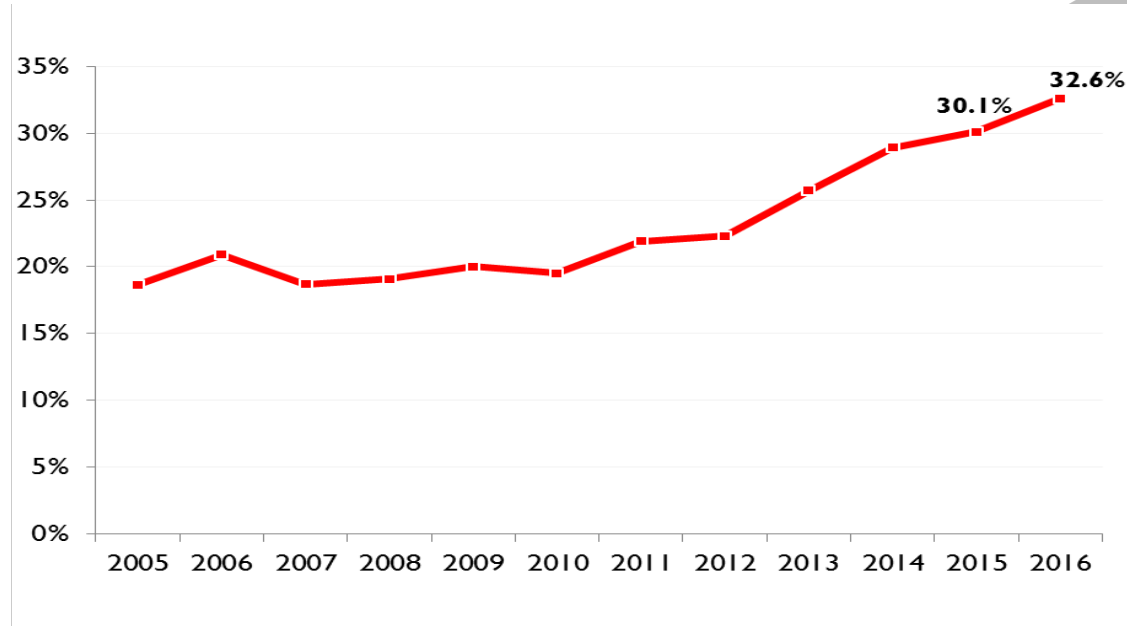
Active Listings/Completions



Source: TREB, CMHC



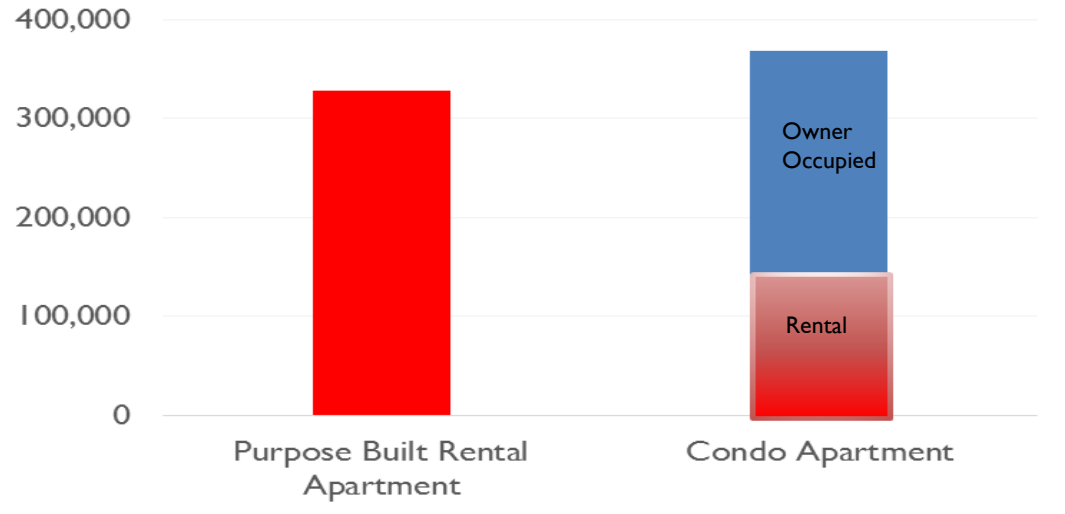
Rental Condo Apartment Stock Continues to Increase



Source: CMHC



Purpose-Built Rental Apartments Remain Primary Rental Source



Source: CMHC



Rental Condos Will Face More Competition

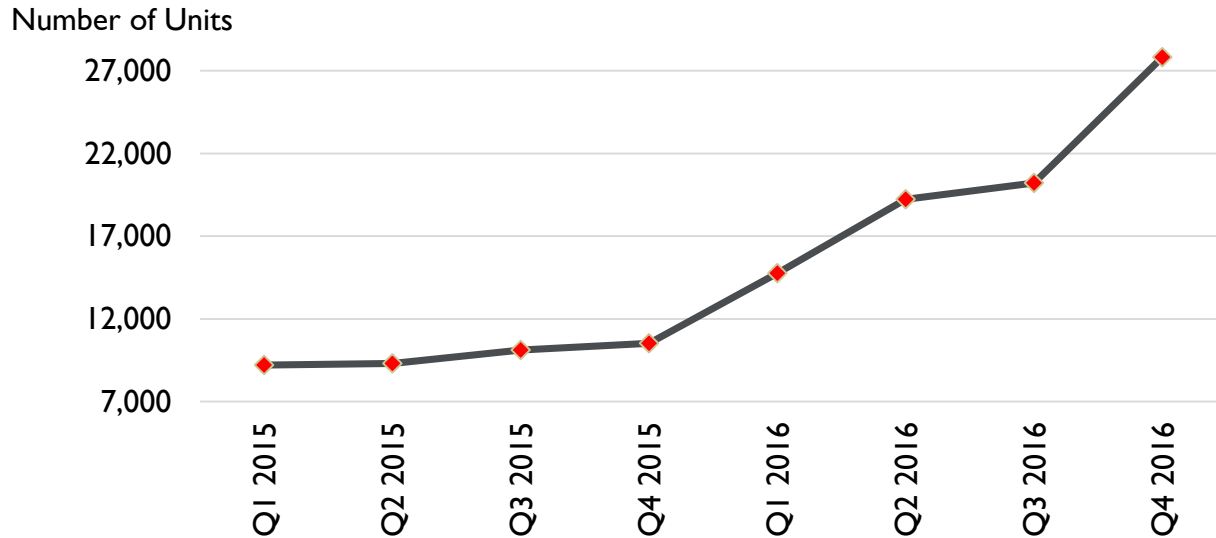
Number of Purpose-built Rental Units Under Construction, Toronto CMA



Source: CMHC



Sharp Increase in New Purpose-Built Rental Proposals



Source: Urbanation Q4, 2016



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