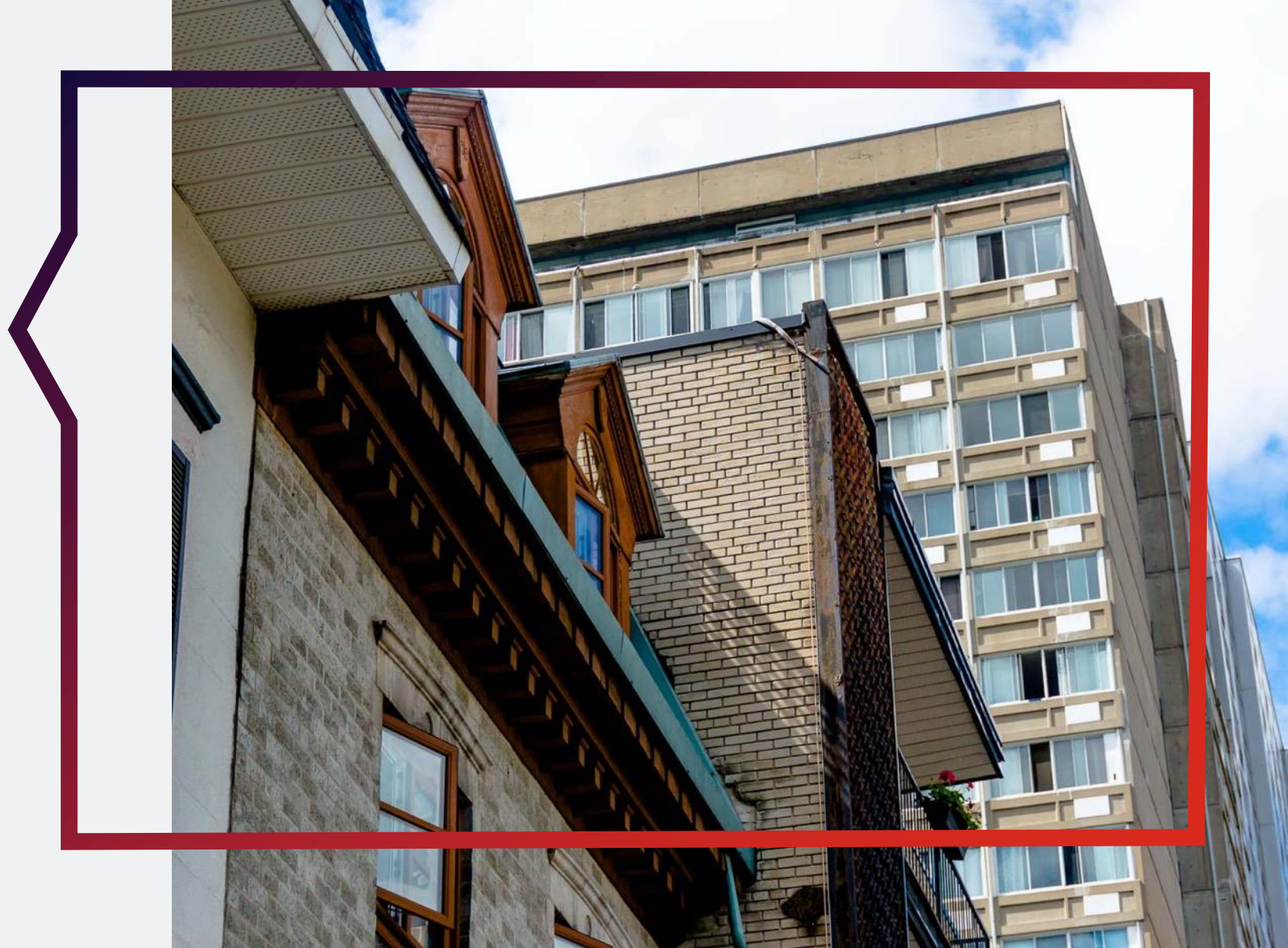


# OHBA Webinar

New Home Construction and  
Rental Market Trends





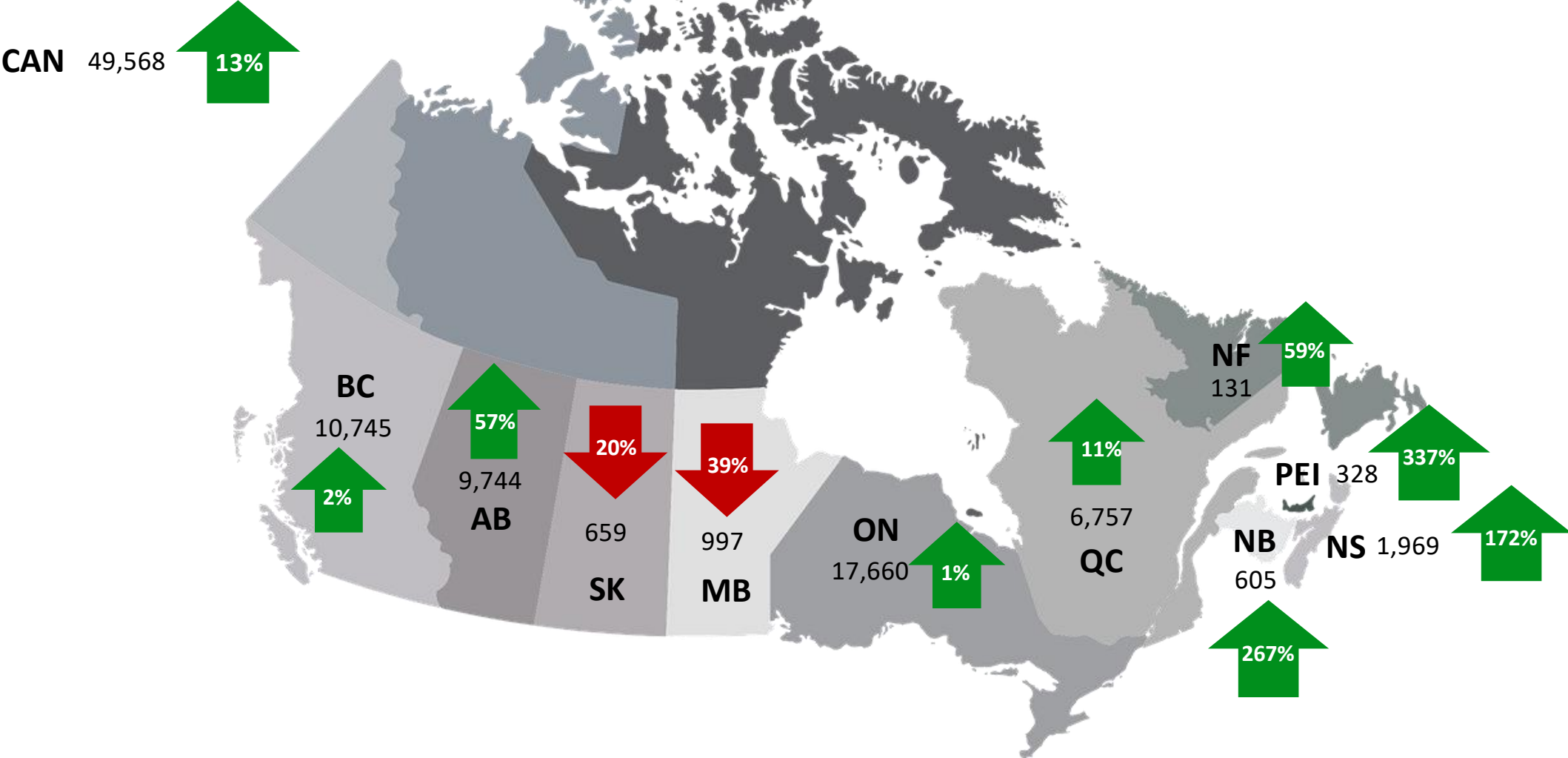
# New home market

Higher housing starts led by Toronto



# Housing starts in most provinces are ahead of last year's pace

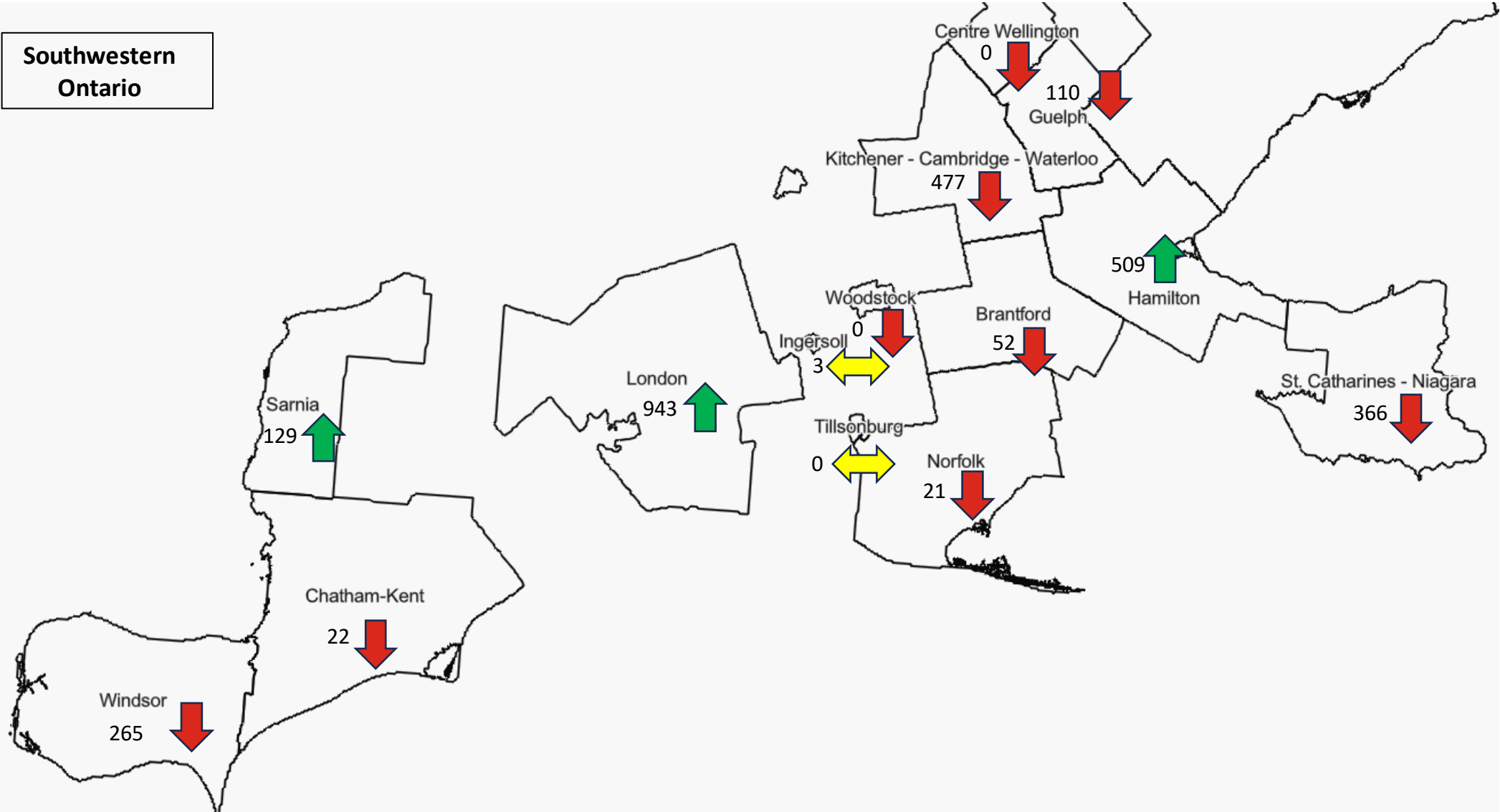
January - March 2024 housing starts and year-over-year change



Source: CMHC

# London CMA Q1 housing starts nearly reached a multi-decade high

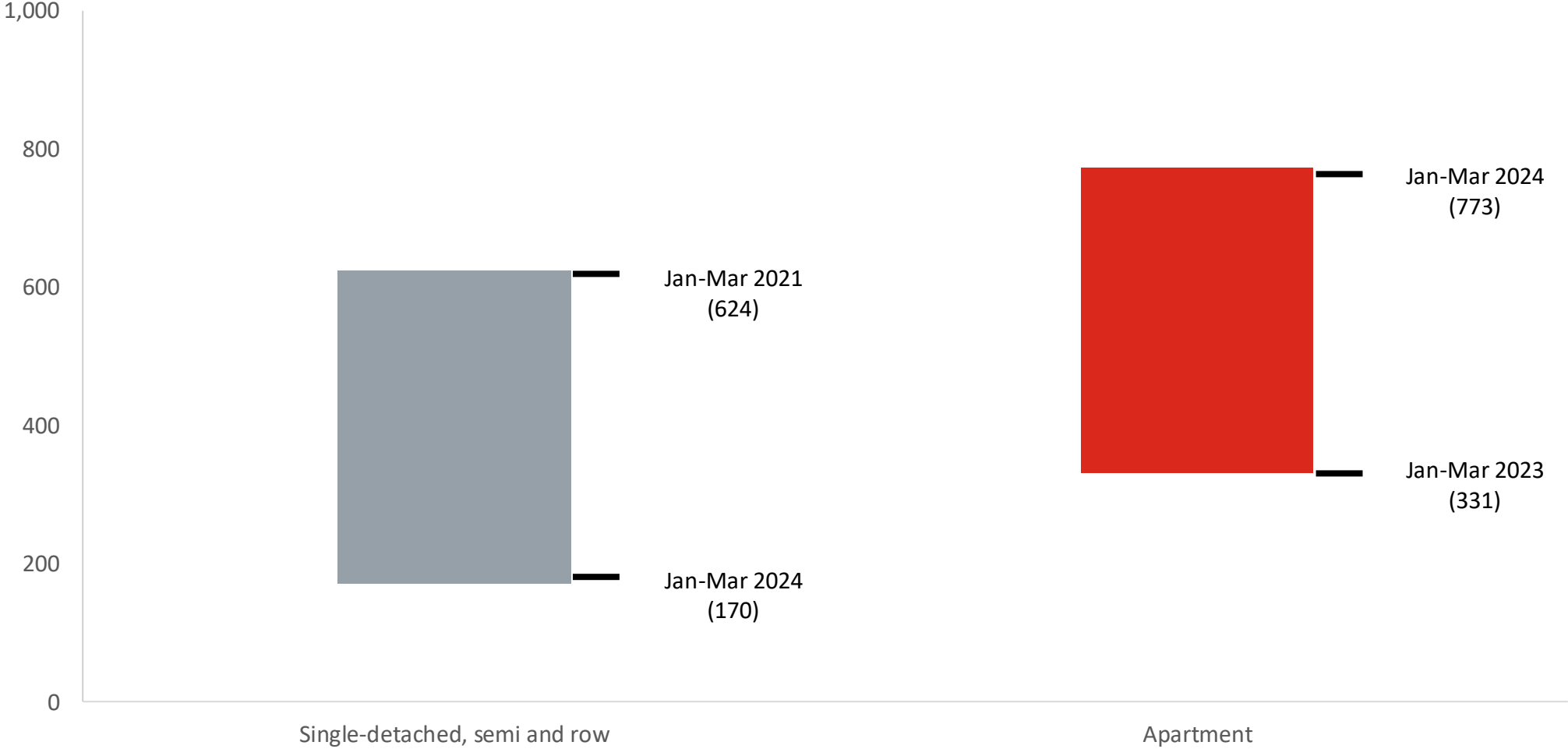
Housing starts in Census Metropolitan Areas and Census Agglomerations (January-March 2024)



Source: CMHC

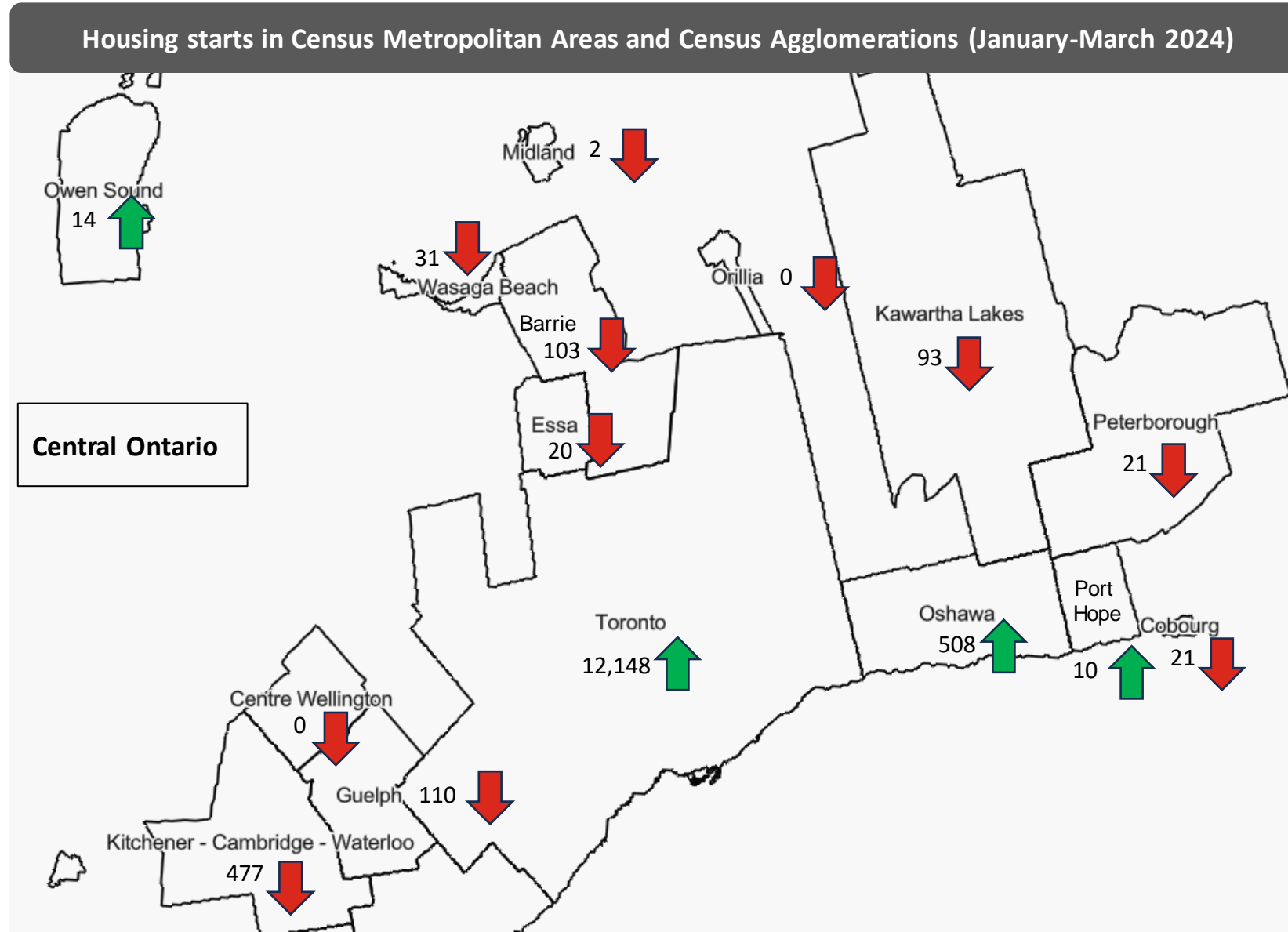
# Strong apartment starts in London CMA, weak low-rise activity

High-low of January-March housing starts in London CMA (2020-2024)



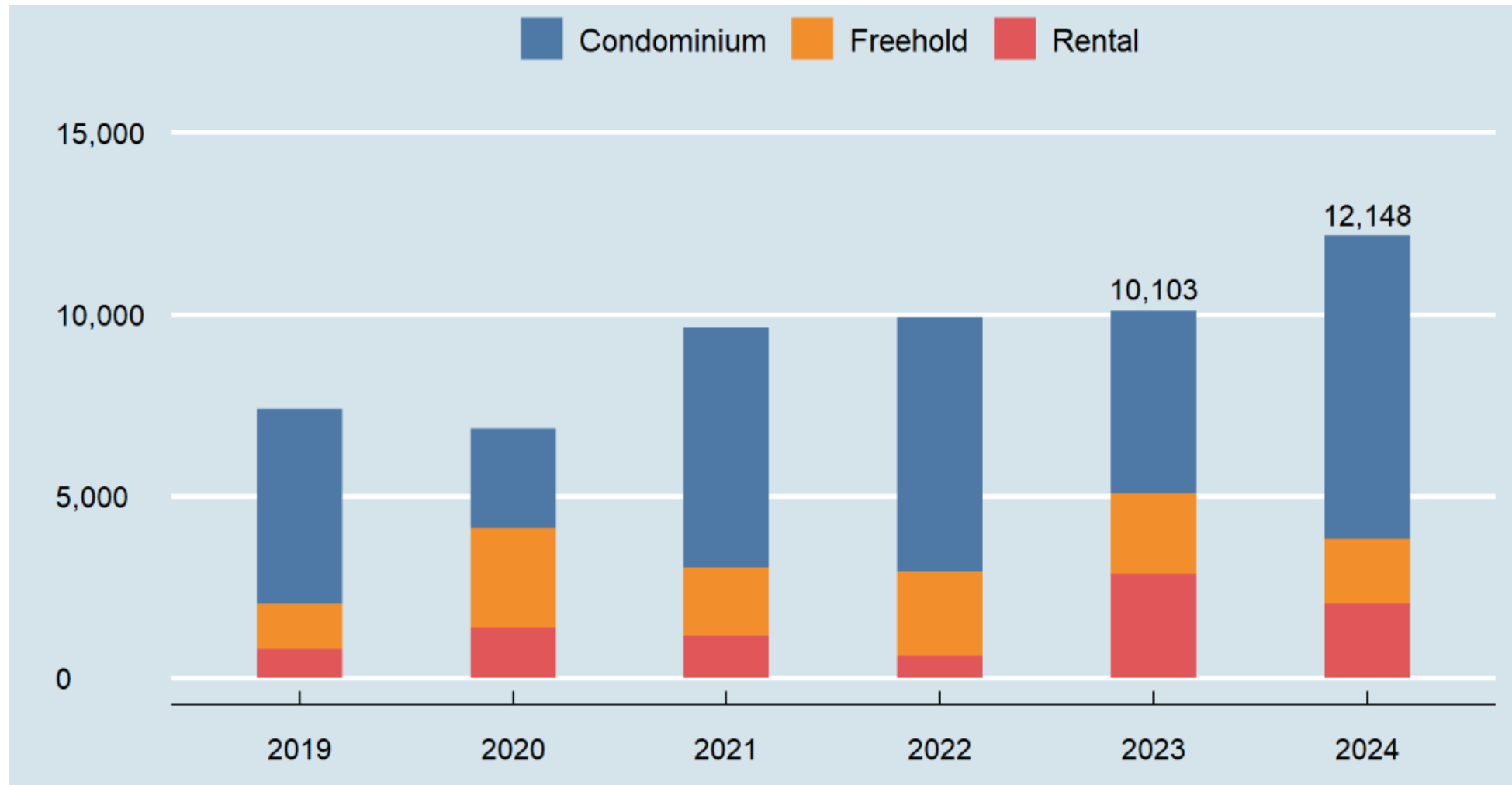
Source: CMHC

# Toronto CMA Q1 housing starts were at a multi-decade high



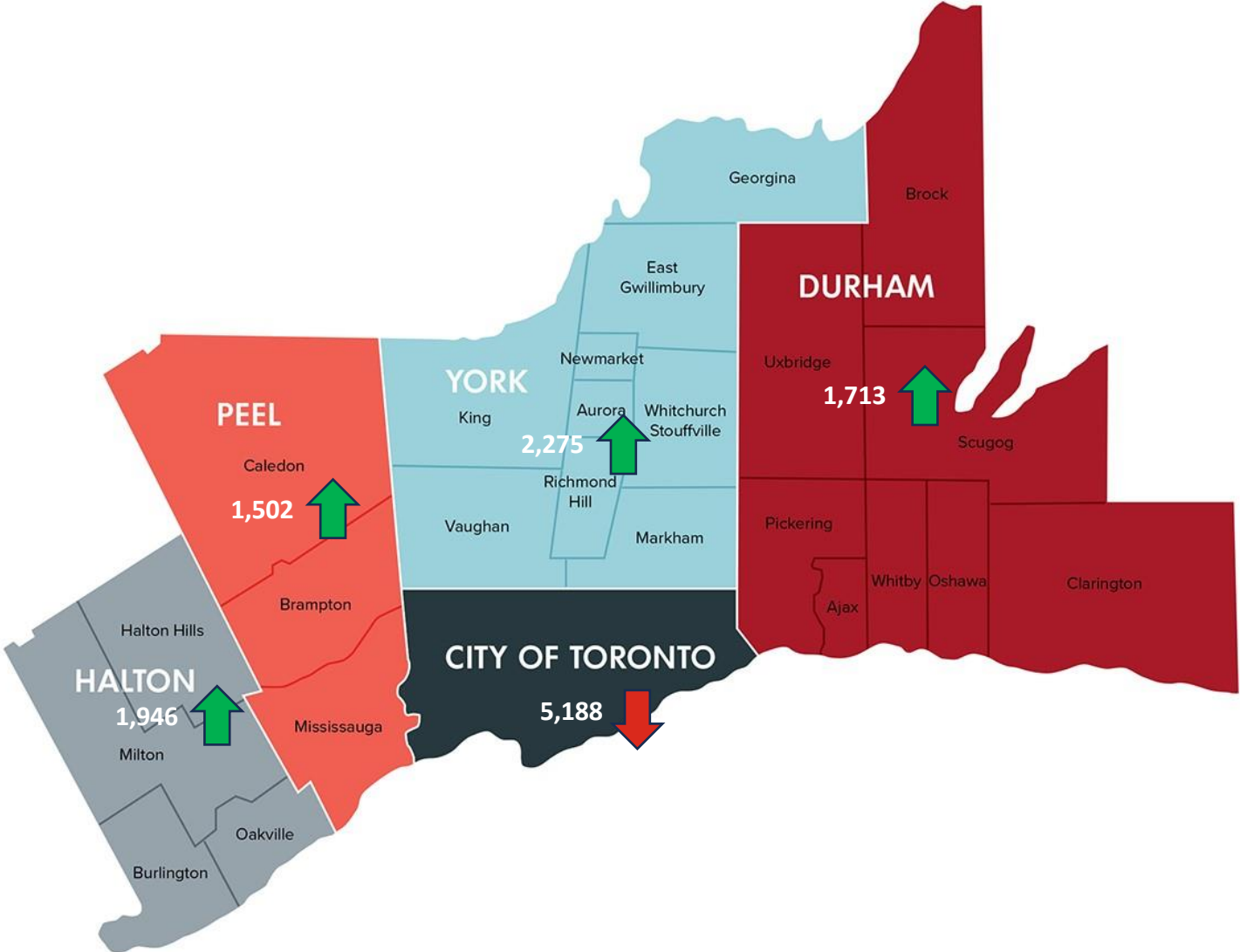
# Higher starts in Toronto CMA driven by the condominium segment

January-March Housing Starts by Intended Market (Toronto CMA)



# Starts up in GTA's suburban areas, down in City of Toronto

January-March 2024 Housing Starts by GTA Region

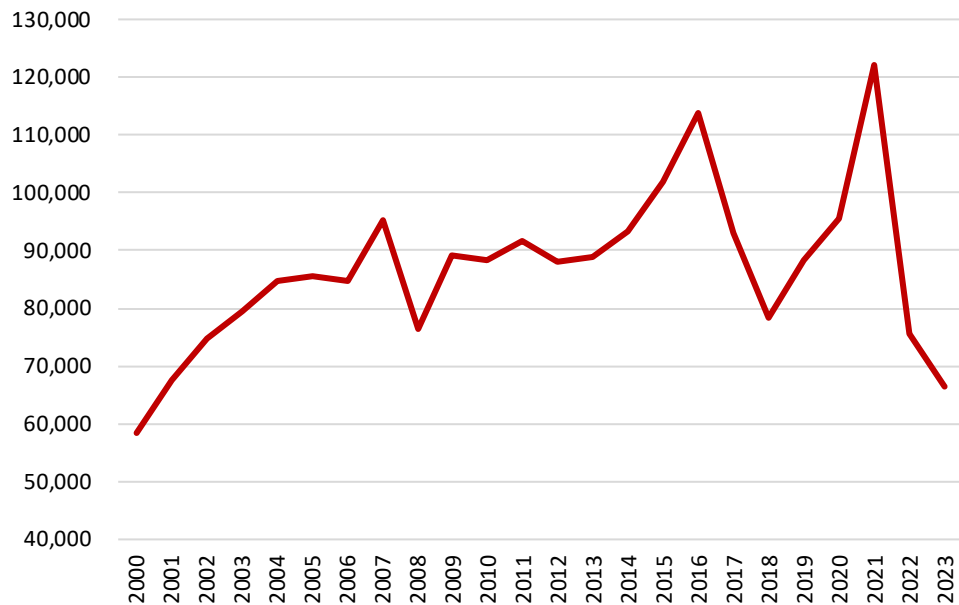


Source: CMHC



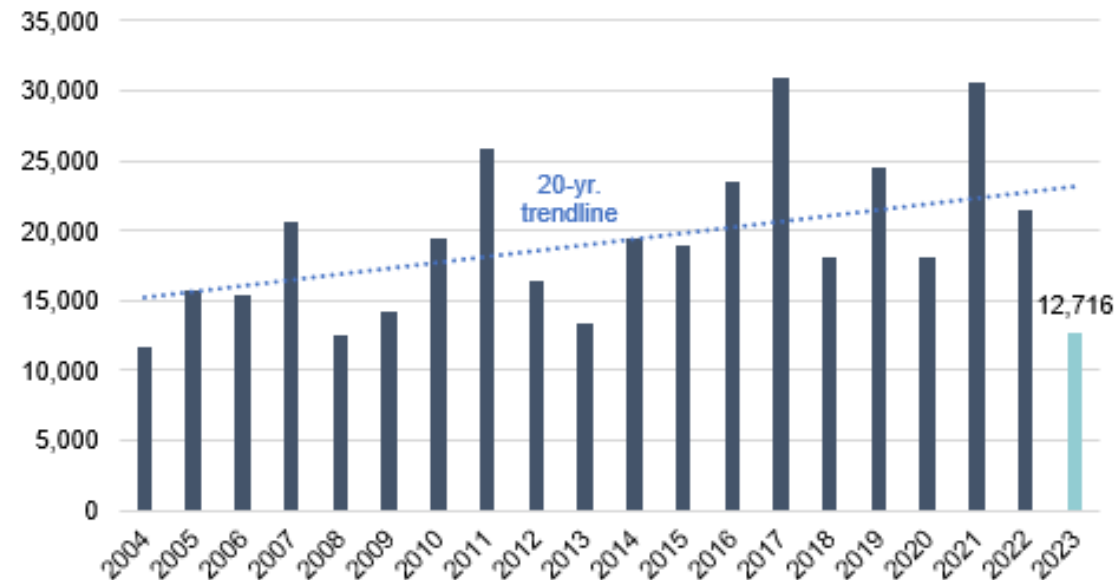
# Toronto's condo starts still not reflecting higher rate environment

## MLS Sales (Toronto CMA)



Source: CREA

## GTA New Condominium Apartment Sales

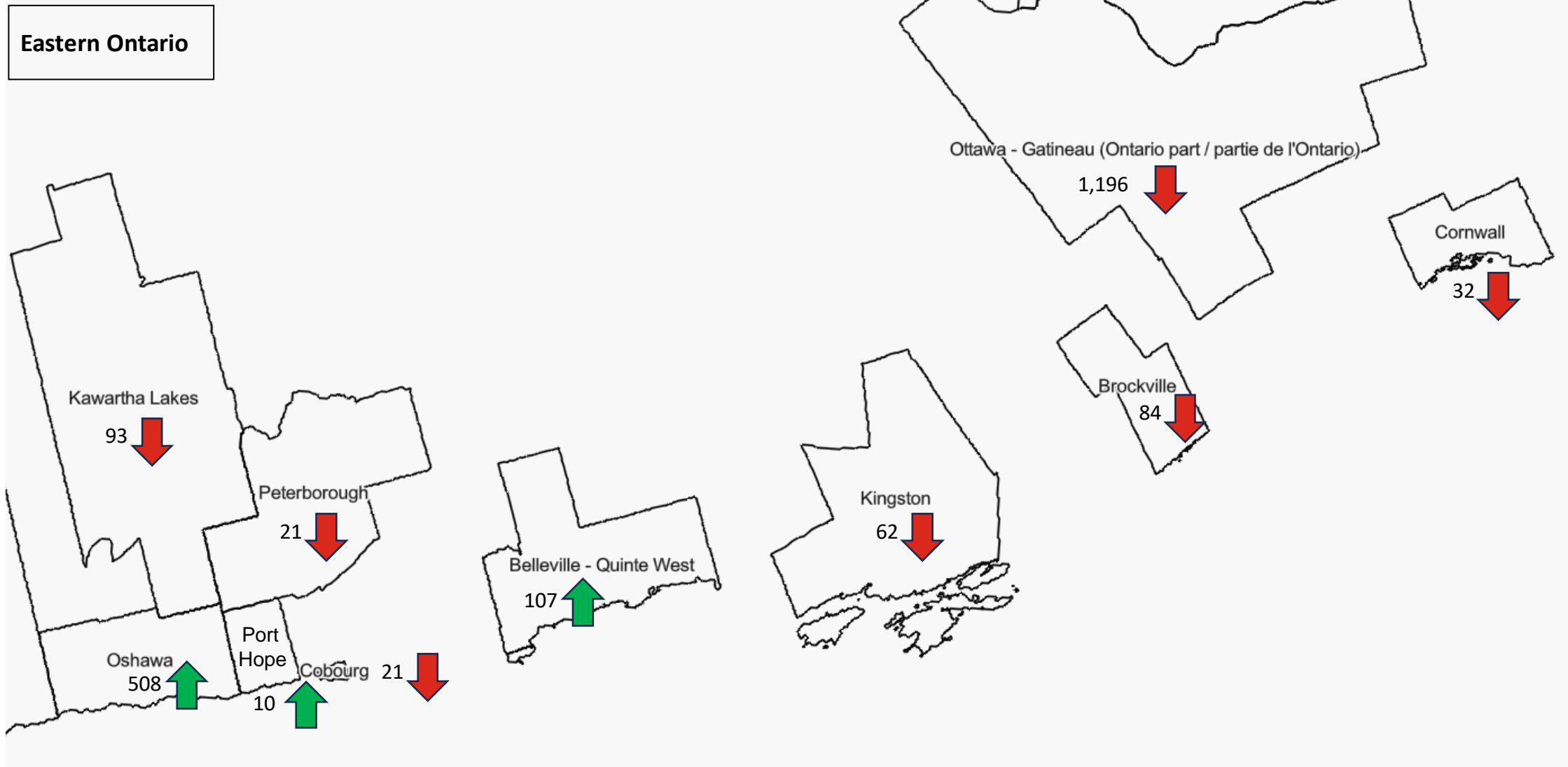


Source: Urbanation

- In 2023, Toronto MLS sales were the lowest since 2000. New condominium sales fell 41% to a 15-year low.

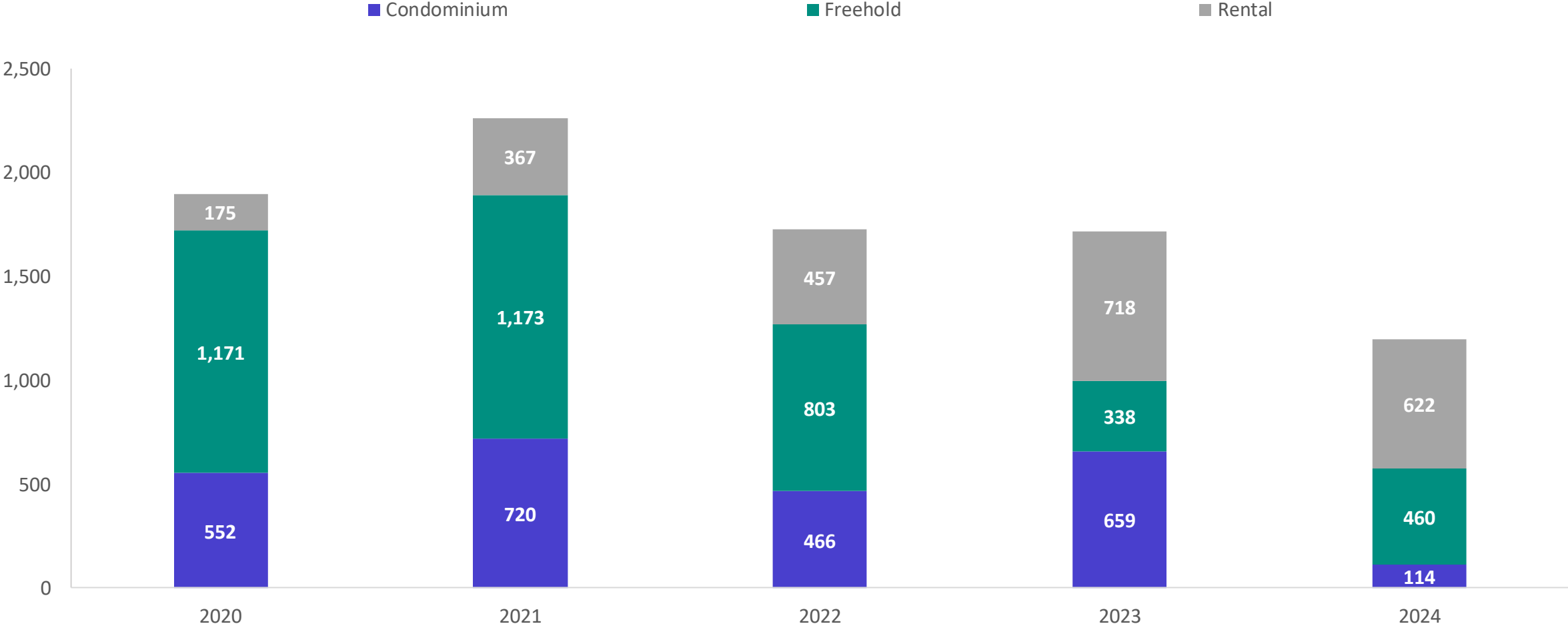
# Ottawa CMA Q1 housing starts were the lowest since 2019

Housing starts in Census Metropolitan Areas and Census Agglomerations (January-March 2024)



# Very weak condo starts activity in Ottawa CMA

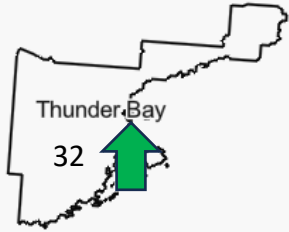
January-March Housing Starts by Intended Market (Ottawa CMA)



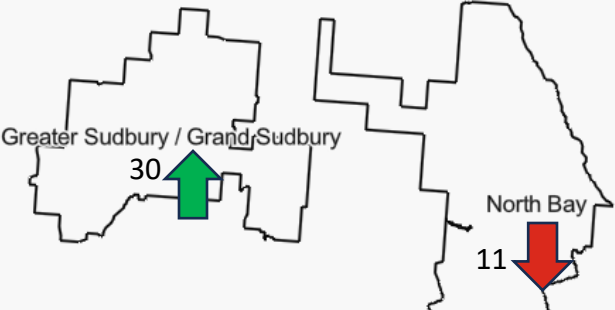
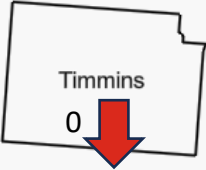
Source: CMHC

# Thunder Bay CMA Q1 housing starts highest since 1999

Housing starts in Census Metropolitan Areas and Census Agglomerations (January-March 2024)



Northern Ontario



A person is standing in a room, looking out a large window. The room is filled with stacks of cardboard boxes, suggesting a moving or storage situation. The person is wearing a dark shirt and pants. The window is multi-paned and looks out onto a bright area. The overall scene is dimly lit, with a teal overlay.

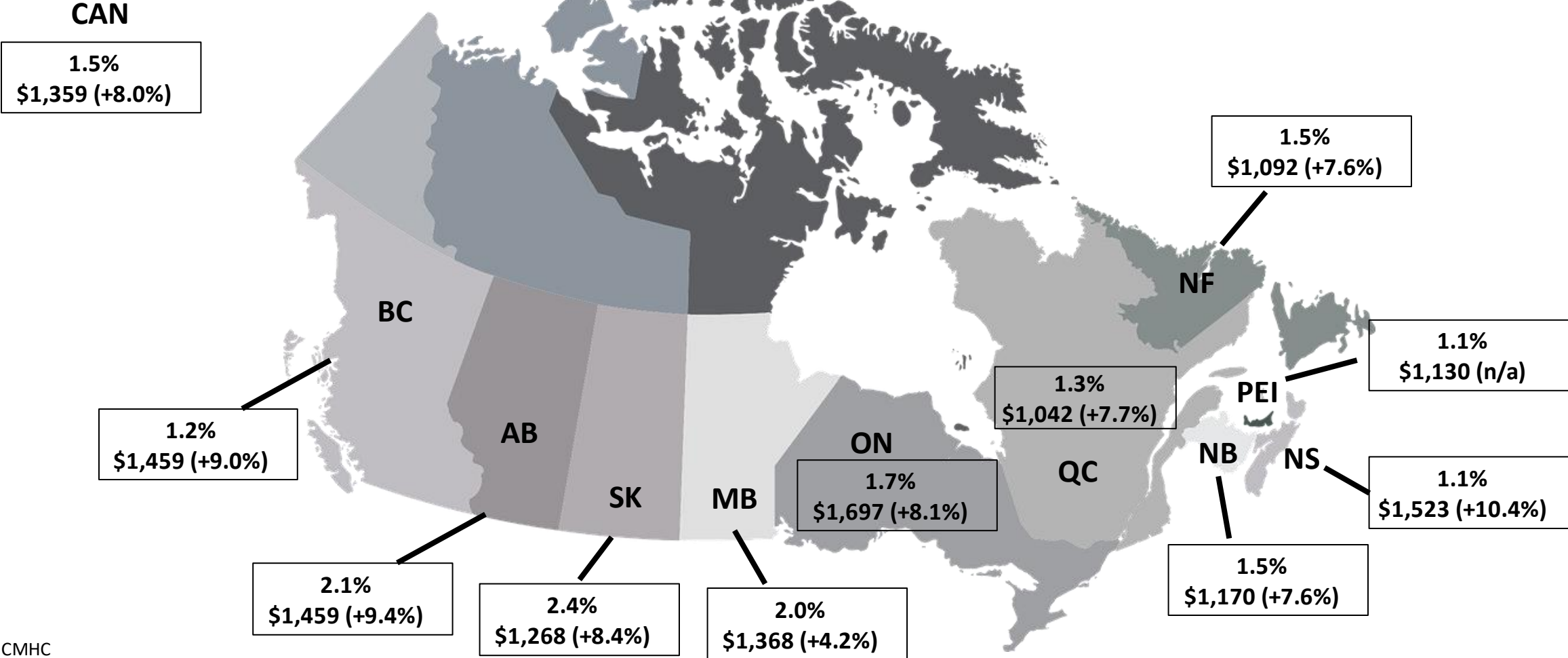
# Rental market

Low vacancy rates, strong rent growth



# Low vacancy rates produced strong rent growth in all provinces

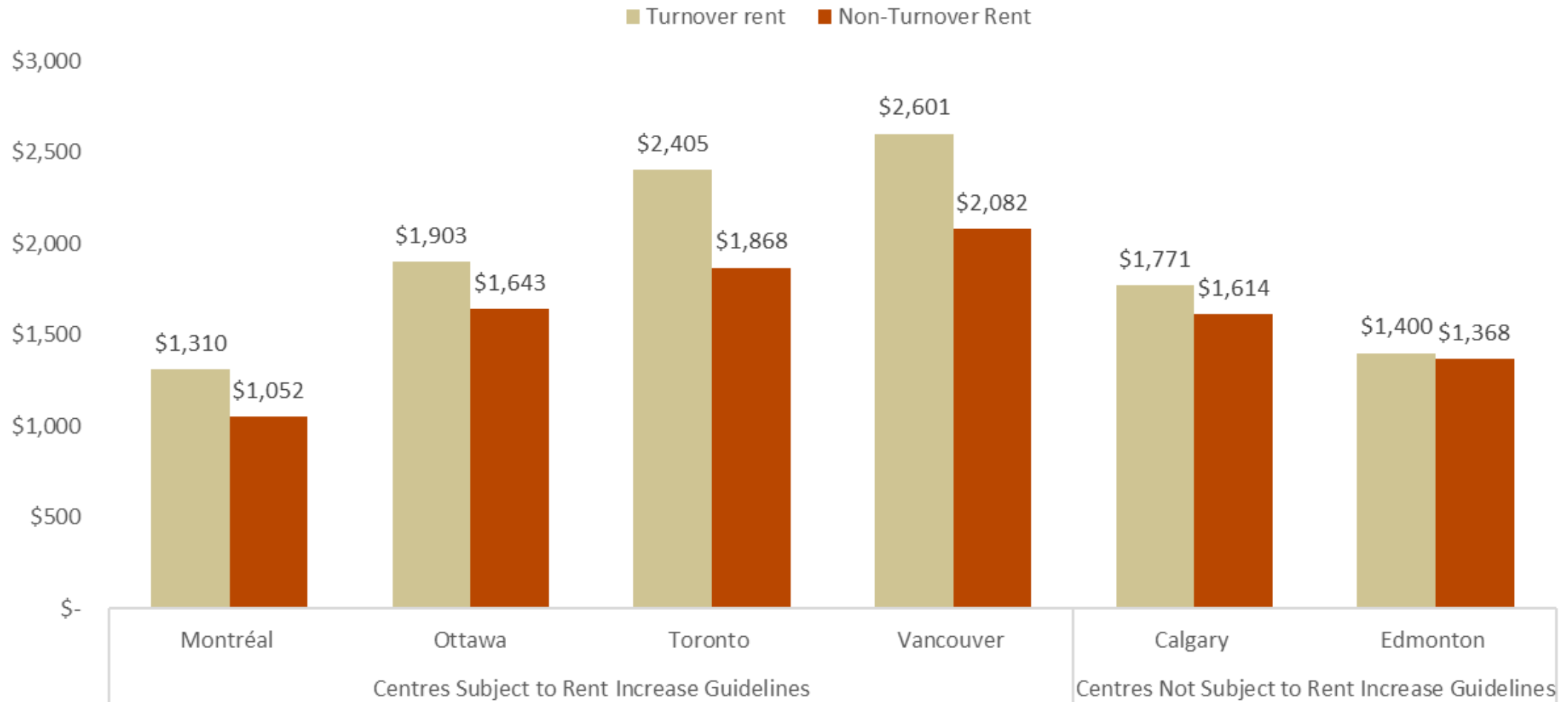
2023 overall vacancy rate and average rent for two-bedroom apartment



Source: CMHC

# New tenants faced much higher rents than sitting tenants

2-bedroom Average Rents by CMA and Turnover Status, 2023



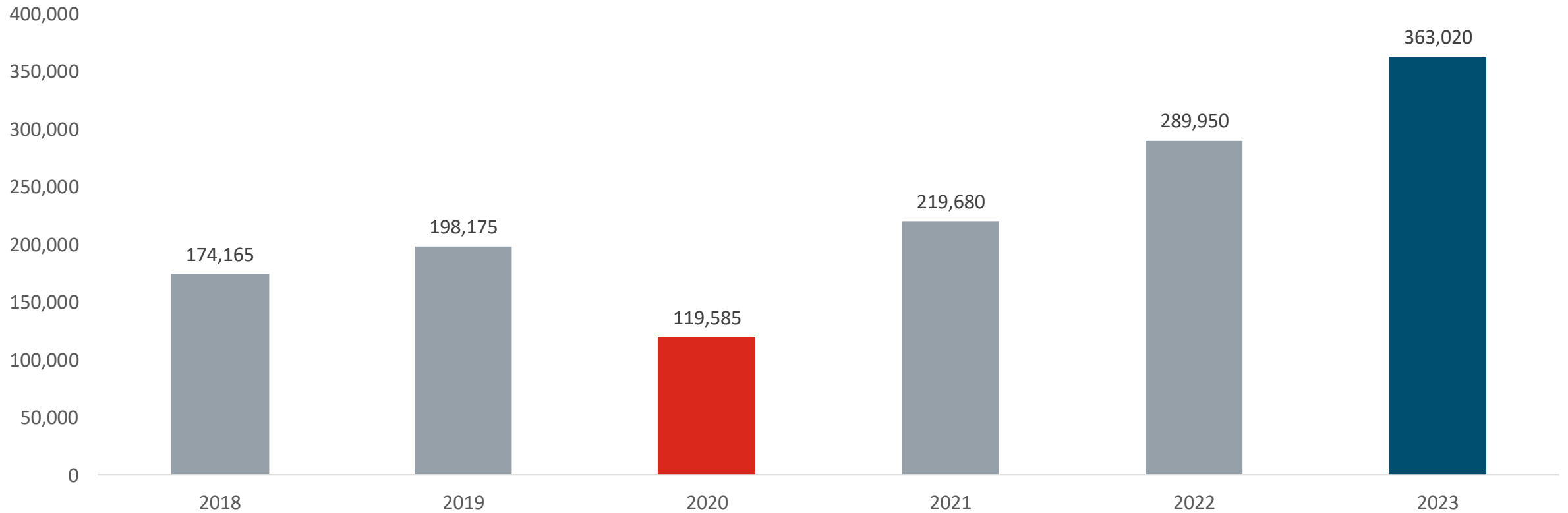
# High immigration in recent years led to strong rental demand



	Immigration 2020-2022	Share of overall immigration to Canada
Toronto	335,303	33.5%
Ottawa	31,885	3.2%
KCW	19,671	2.0%
Hamilton	15,734	1.6%
London	13,262	1.3%

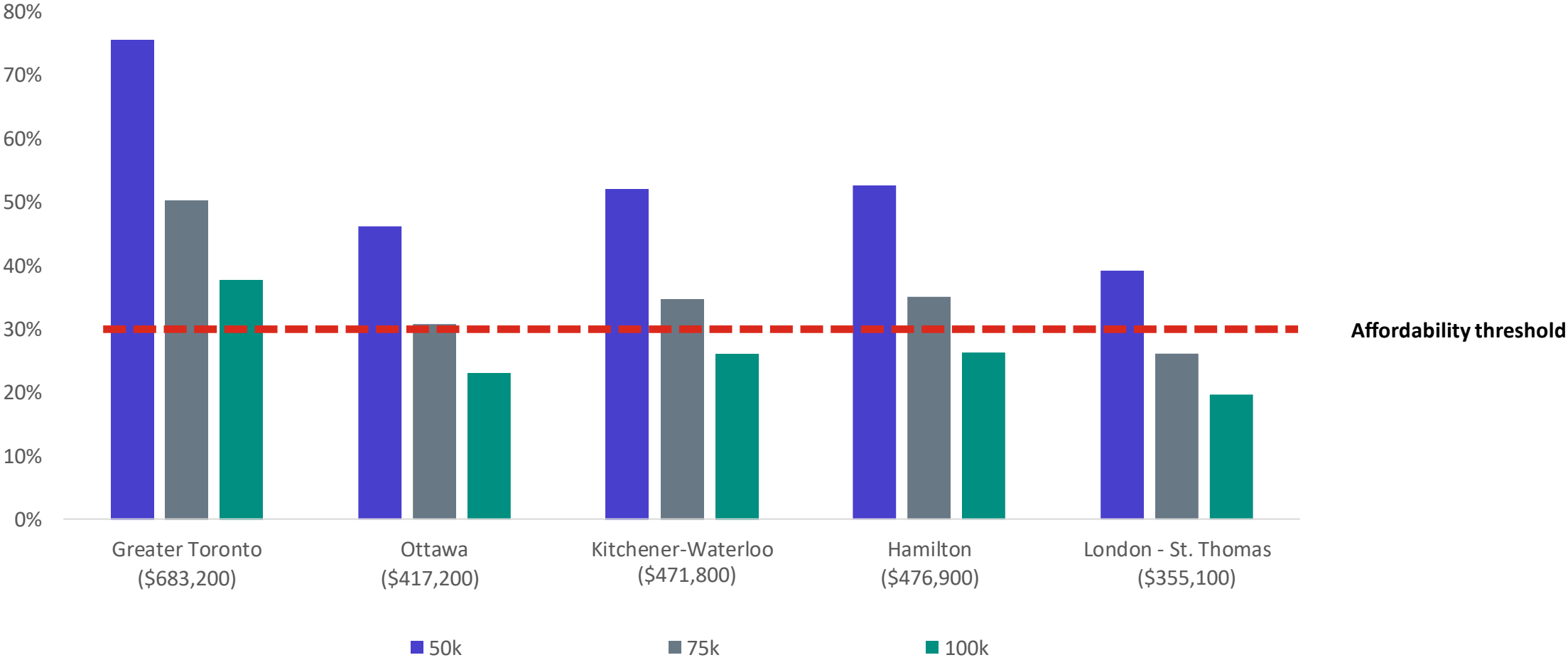
# Record number of international students in Ontario last year

Number of temporary residents in Ontario with study permits



# Few renters could afford to buy a starter home

Percentage of gross income dedicated to mortgage payment on benchmark condo apartment (December 2023)



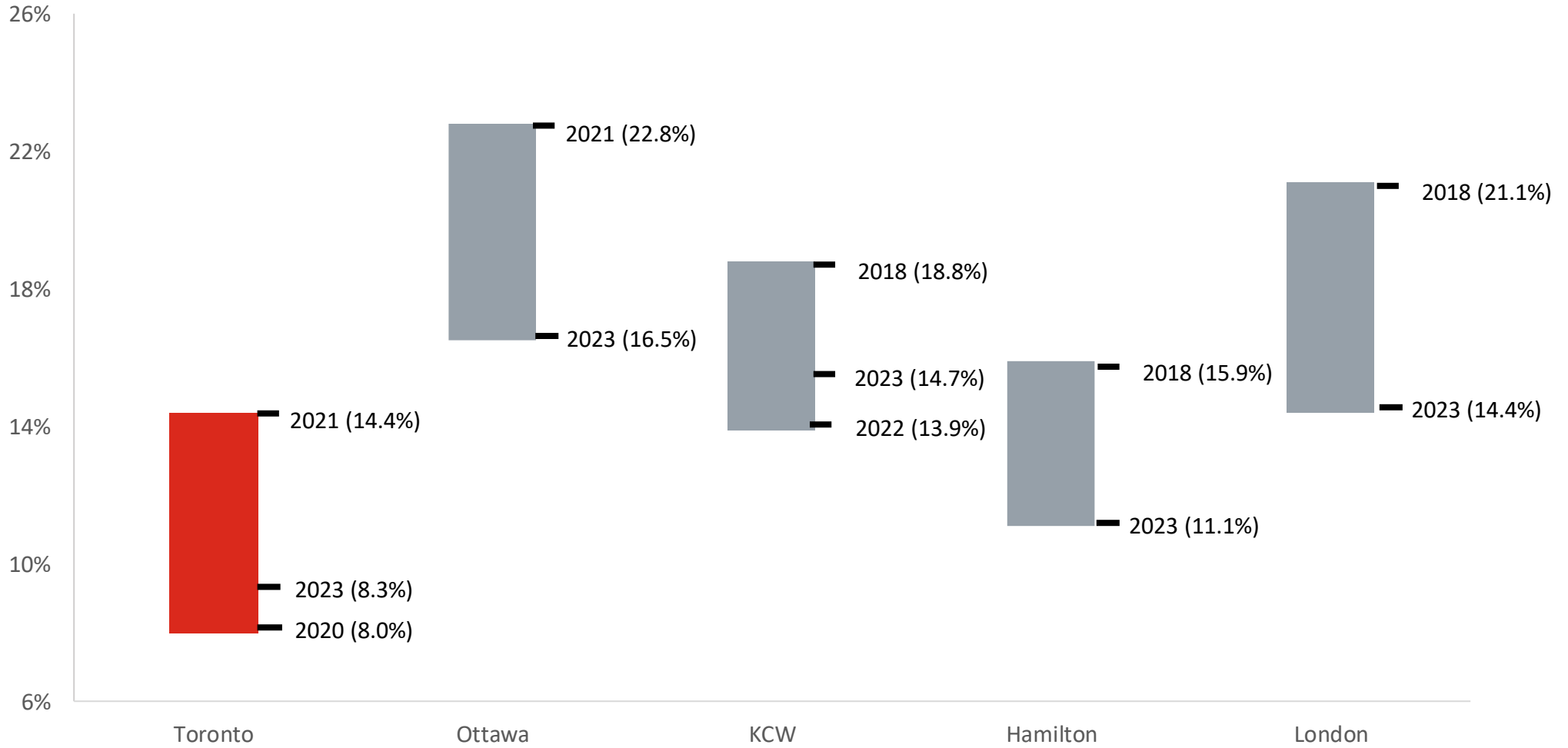
Affordability threshold

Mortgage payments based on CREA condo apartment benchmark price, 20% down payment, discounted 5-year fixed mortgage rate, 25-year amortization  
Source: CREA, Ratehub, calculations by CMHC.



# Turnover rates decreased to new lows in many regions

High-low of rental apartment turnover rates (2018-2023)



# Toronto CMA's condo rental market remained tight despite new supply

2023



### PURPOSE-BUILT RENTAL MARKET

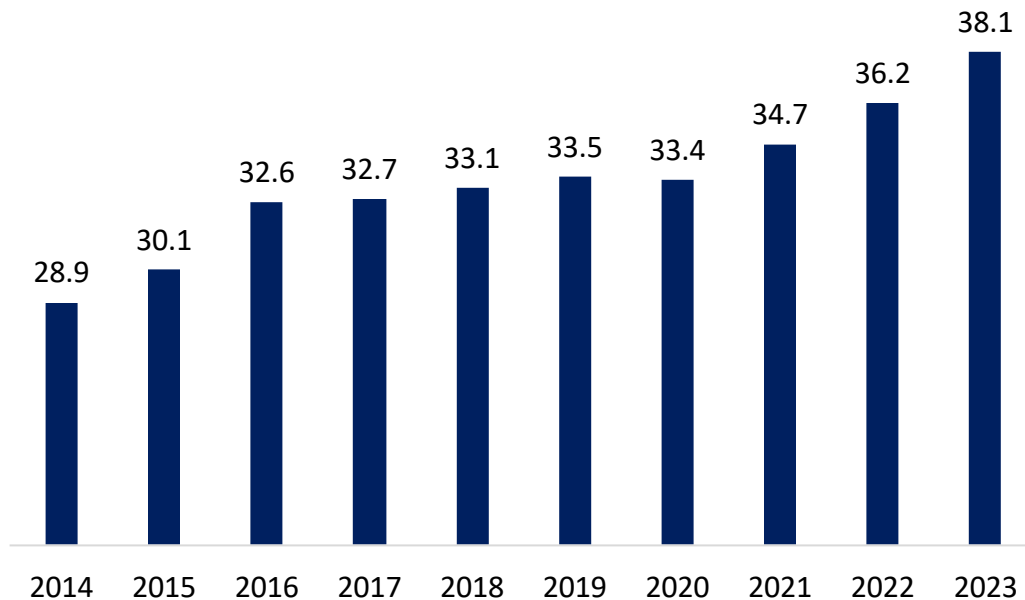
Vacancy Rate	Average Two-Bedroom Rent
<b>1.5%</b>	<b>\$1,940</b> UP by 8.7%

### CONDOMINIUM APARTMENT MARKET

Vacancy Rate	Average Two-Bedroom Rent
<b>0.7%</b>	<b>\$2,862</b>

# A larger percentage of condos in Toronto were owned by investors

Proportion of condo apartments rented (GTA, %)

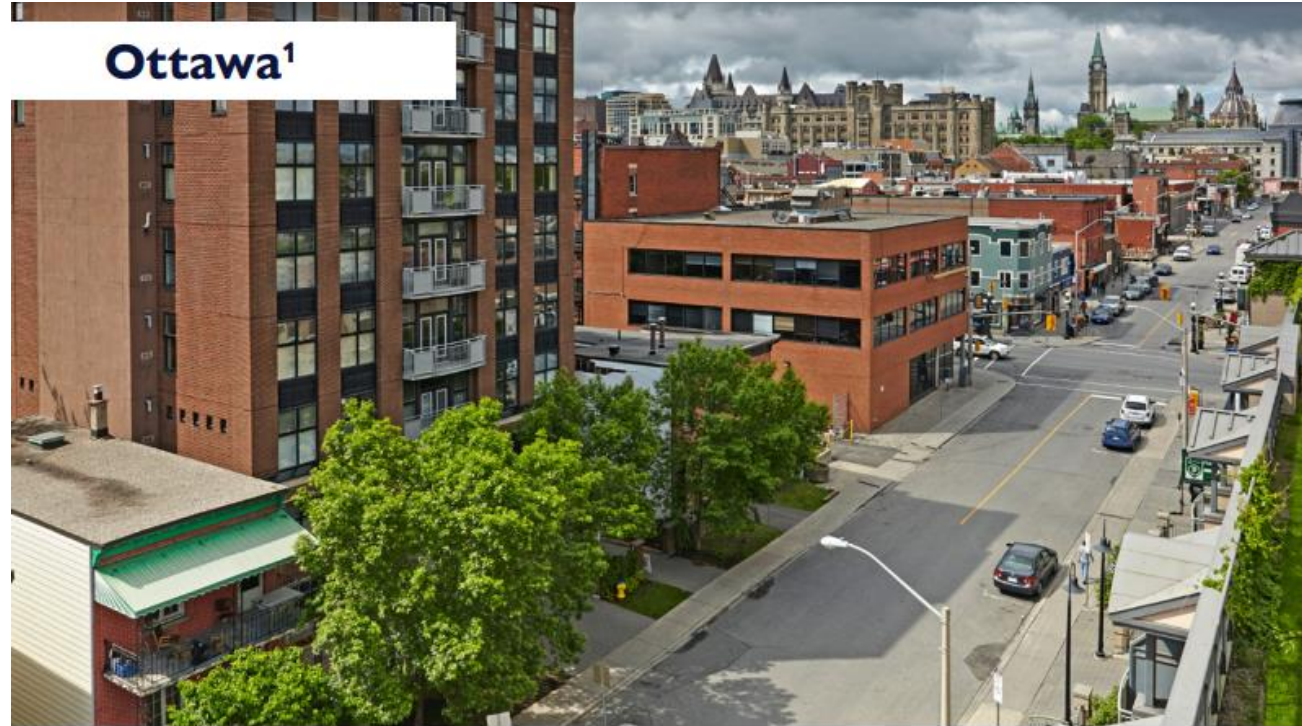


Source: CMHC

- The GTA's stock of condominium rental apartments grew by a sizeable 9.1% in 2023.
- Both new and existing projects have more units being rented out.
- As a result, the share of apartments held by long-term investors grew to 38.1%.

# Nearly zero vacancies in Ottawa CMA's condo rental market

2023



## PURPOSE-BUILT RENTAL MARKET

Vacancy Rate

**2.1%**

Average Two-Bedroom Rent

**\$1,698**

UP by 4.0%

## CONDOMINIUM APARTMENT MARKET

Vacancy Rate

**0.4%**

Average Two-Bedroom Rent

**\$2,085**



# Low vacancy rates in Hamilton CMA led to double-digit rent growth

2023



### PURPOSE-BUILT RENTAL MARKET

Vacancy Rate	Average Two-Bedroom Rent
<b>2.1%</b>	<b>\$1,617</b> <small>UP by 13.7%</small>



All units

### Average Two-Bedroom Rent (Turnover units)

\$2,058



HOUSING MARKET INFORMATION

## Rental Market Report

CANADA AND SELECTED MARKETS

January 2024



# Rental Market Report

Frequency: Annual

Timing: October (survey)  
January (report)

- In depth analysis of rents and vacancy trends
- Covers major centres across Canada
- Focuses on purpose-built and condominium apartment rental segments

To request an alternate format, please contact us at:  
1-800-668-2642  
[contactcentre@cmhc.ca](mailto:contactcentre@cmhc.ca)

700 Montreal Road,  
Ottawa, ON K1A 0P7

Subscribe   
[cmhc.ca/housingupdates](https://cmhc.ca/housingupdates)

Canada

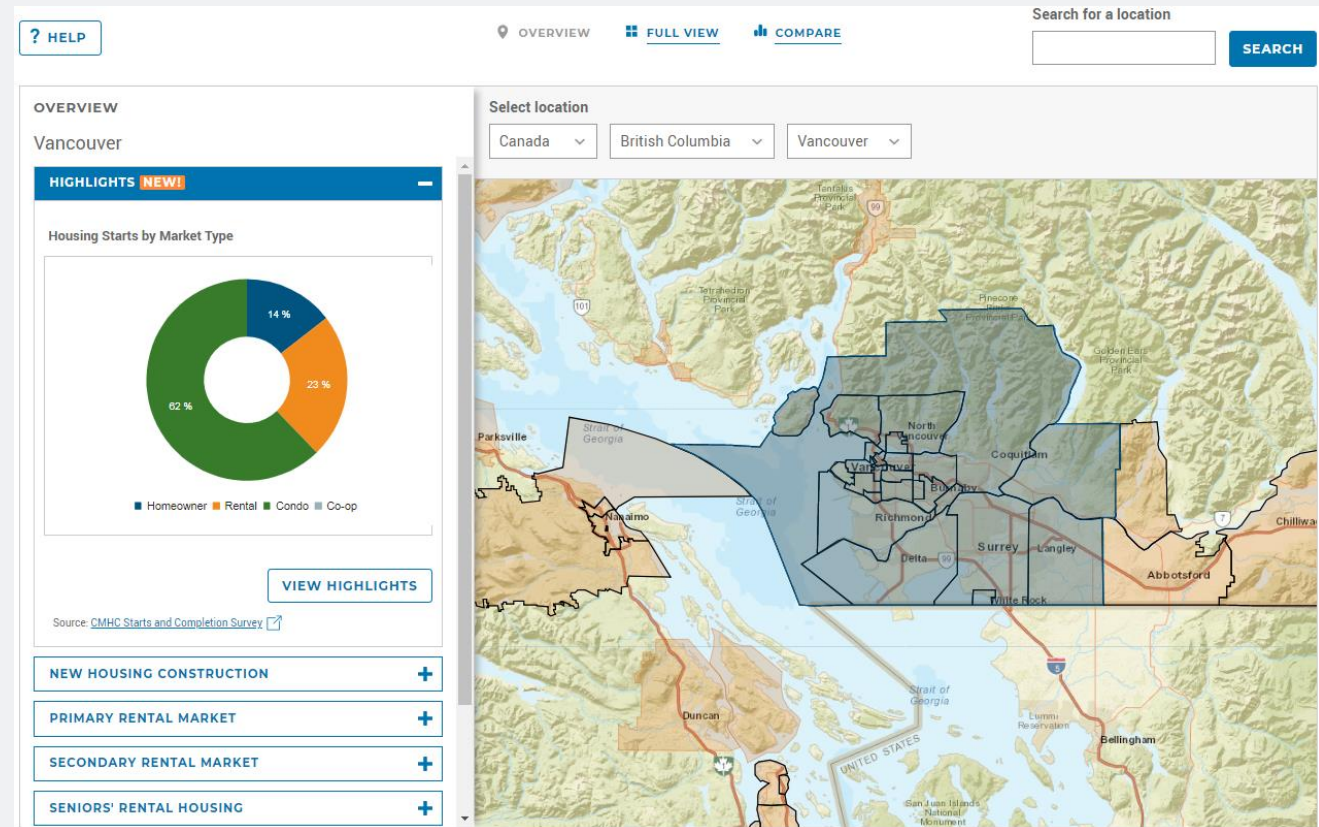


# Housing Market Information Portal

Free, easy-to-use access to the latest housing market data for Canada.



[cmhc.ca/hmiportal](https://cmhc.ca/hmiportal)



# Thank you!

**Anthony Passarelli**

**Lead Economist (Southern Ontario)**

[apassare@cmhc-schl.gc.ca](mailto:apassare@cmhc-schl.gc.ca)

**416-250-3234**