

HIGHLIGHTS

Alberta Housing and Urban Affairs completed its annual *Apartment Vacancy and Rental Cost Survey* in 59 rural communities that have a population of between 1,000 and 9,999 people and have at least 30 or more rental units.

In 2009, there were a total of 11,268 rental units identified for the *Apartment Vacancy and Rental Cost Survey 2009*, of which 11,046 were surveyed.

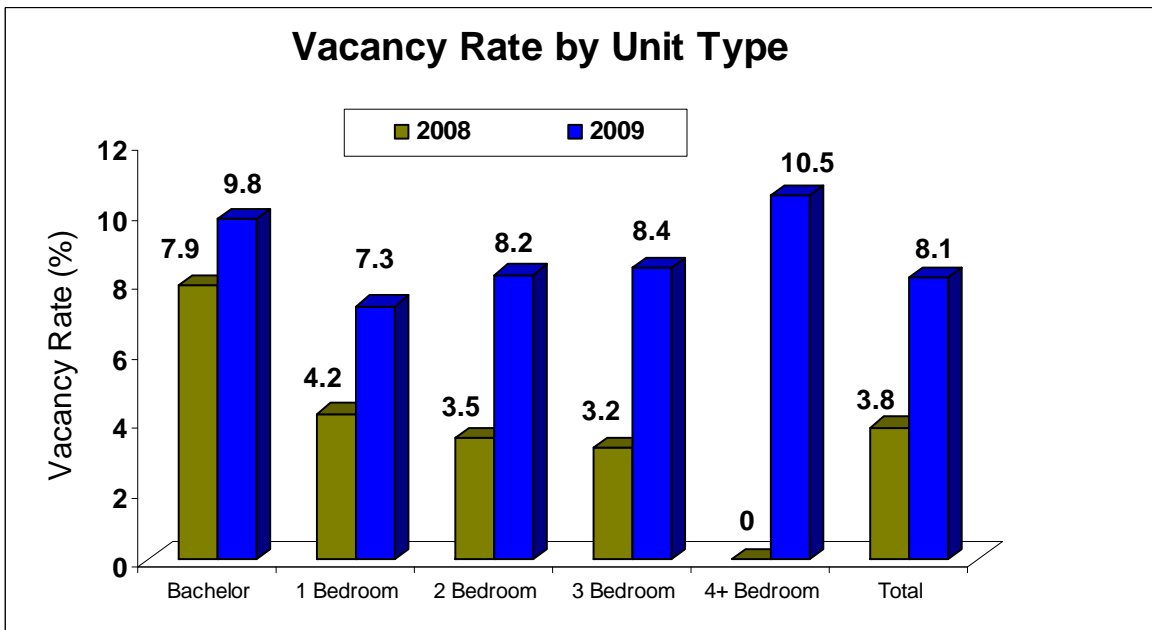
- 40 of the 59 communities surveyed had a response rate of 100 per cent.
- 10 communities had response rates of between 95 and 100 per cent
- Five communities had response rates of between 90 and 95 per cent
- Four communities had a response rate of between 70 and 80 per cent.

Vacancy Rates

The overall apartment vacancy rate in Alberta's 59 communities with a population of between 1,000 and 9,999 people was 8.1 per cent in 2009, up from 3.8 per cent in 2008. The average vacancy rates ranged from zero (0) per cent in five communities, including the towns of Bowden, Drumheller, Fairview, Provost and the municipality of Jasper, to 40.2 per cent in Elk Point.

Lowest Vacancy Rates Reported in One-Bedroom Rental Units

The lowest vacancy rate of 7.3 per cent was reported in one-bedroom rental units. The following graph provides a comparison of the vacancy rates by unit type.



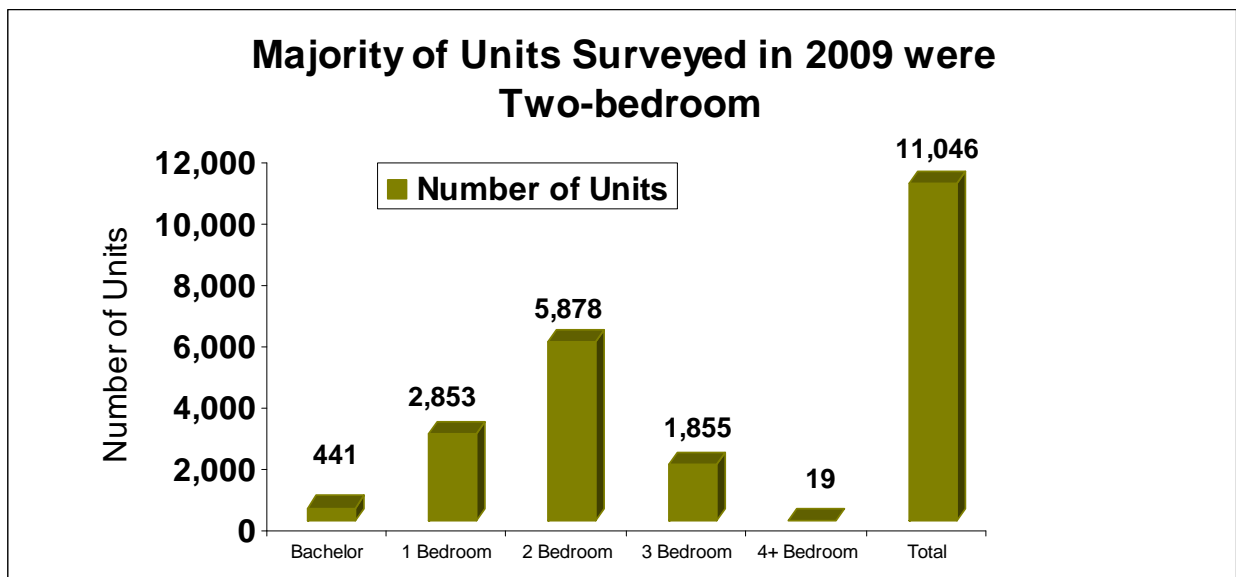
Vacancies by Age of Building

The vast majority of Alberta's rental stock (rental buildings) is older than 10 years. Of the 11,046 units included in the survey, 94.5 per cent were 10 years or older, with vacancy rate of 7.7 per cent being reported in these structures; lower than most other types of buildings and below the overall average.

Age of Building	Number of Units Surveyed	Vacancy Rates
0 - 6 months	14	0.0%
7 - 23 months	53	15.1%
2 - 5 years	269	11.5%
5 - 10 years	267	16.5%
10+ years	10,443	7.7%
Total	11,046	8.1%

Majority of Units Surveyed were Two-Bedroom Units

The most common unit type surveyed was 2-bedroom units, totaling to 5,878 units, representing 53.2 per cent of all units surveyed in 2009. A total of 19 units with four or more bedroom accounted for less than 0.5 per cent of the units surveyed. The vast majority of 2-bedrooms units (2,388) were located in the central region of Alberta. The town of Whitecourt had 408 2-bedroom rental units, followed by the towns of Edson and Hinton with 392 and 325 rental units, respectively.



Vacancies Higher in High-Rise Apartments

Vacancy rates increased between 2008 and 2009 in all categories. The highest vacancy rate of 18.9 per cent was reported in high-rise rental units, which constitutes less than one per cent of all units surveyed in 2009. In 2009, there were 106 high-rise units included in the survey for the first time since 2002. The high-rise units include a new building containing 35 units in Edson and 71 units in an existing building in Peace River.

The lowest vacancy rate of 6.1 per cent was reported in four-plex rental units. The second lowest vacancy rate of 8.3 per cent was reported in walk-up buildings, representing the majority (63.9 per cent) of the rental units surveyed in the 59 communities. The following table summarizes overall vacancy rates by building type for all communities surveyed:

Type of Building	Average Vacancy Rates		Change
	2008	2009	2008-2009
High-Rise	N/A	18.9%	N/A
Store-Top	7.5%	10.9%	3.4%
Row-Housing	3.3%	8.4%	5.1%
Walk-Up	3.6%	8.3%	4.7%
Other	8.0%	8.3%	0.3%
Four-Plex	3.3%	6.1%	2.8%
Total	3.8%	8.1%	4.3%

Overall Vacancy Rates in 2009 Compared to 2008

The downturn in the economy, weak employment market and people moving from smaller communities to the urban centres were major contributing factors to the rise in the vacancy rate. With apartment vacancies increasing, some property owners across the province in the 59 communities surveyed were considering offering incentives to reduce turnover and entice new tenants.

The Rise in Vacancies Slowed by Rental Rate Increases in 2009

Rental rate increases were at a slower pace than seen in 2008. Average rental rates increased for all unit types included in the survey except for units with 4 or more bedrooms. Rental rates for units with 4 or more bedrooms decreased by 6.0 per cent in 2009 from 2008.

Across all 59 communities surveyed, the average rent for a 2-bedroom unit was \$736 per month. The most expensive average rent for a 2-bedroom unit was \$2,500 in Peace River and lowest average rent was \$300 in Cardston. 2-bedroom units renting for less than \$600 were found in Crowsnest Pass, Barrhead, Bassano, Bowden, Pincher Creek, and Raymond. The majority of 2-bedroom units were rented for between \$600 and \$900.

The following table details average rental rates 2007 and 2009 and changes in the rates.

Unit type	Average Rental Rates			Change		% Change	
	2007	2008	2009	2007 - 2008	2008 - 2009	2007 - 2008	2008 - 2009
Bachelor	\$463	\$510	\$527	\$47	\$17	10.1%	3.3%
1 Bedroom	\$563	\$603	\$627	\$40	\$24	7.1%	3.9%
2 Bedroom	\$659	\$711	\$736	\$52	\$25	7.8%	3.5%
3 Bedroom	\$736	\$804	\$846	\$68	\$42	9.2%	5.2%
4+ Bedroom	\$979	\$1,030	\$968	\$51	-\$62	5.2%	-6.0%

Comparison in Historical Vacancy Rates

A comparison of historical vacancy rates from 1999 to 2009 was undertaken. In 2009, sixteen communities experienced the highest vacancy rate in ten years, compared with four in 2008, and only one community experienced the lowest. Five communities reported a zero (0) per cent vacancy rate.

When comparing the 2009 vacancy rates to 2008, there has been an increase in vacancy rates in 45 communities and a decrease in the vacancy rate in 12 communities. There were 2 communities where the vacancy rate remained unchanged.