

HIGHLIGHTS

The 2011 Apartment Vacancy and Rental Cost Survey (AVS) identified a total of 11,807 rental units, compared with 11,596 rental units in 2010. Of these, 11,579 rental units were included in the AVS, resulting in the highest response rate in five years of 98.1 per cent. This breaks down as follows:

- 46 of the 64 communities surveyed had a response rate of 100 per cent,
- 7 communities had a response rate of between 95 and 100 per cent,
- 5 communities had a response rate of between 90 and 95 per cent, and
- 6 communities had a response rate of less than 90 per cent.

Vacancy Rates

Vacancy rates in rental units declined in 2011 for the first time in 4 years. The overall rental vacancy rate in the 64 communities surveyed was 8.0 per cent, down from 9.8 per cent in 2010, for a total decrease of 1.8 per cent. Vacancy rates of zero (0) per cent were reported in 5 communities: Black Diamond, Bowden, Mayerthorpe, Slave Lake, and Two Hills. The community of Vulcan experienced the highest vacancy rate at 28.9 per cent.

A comparison of the vacancy rates reported in 2010 and 2011 shows:

- An increase in vacancy rates in 29 communities,
- A decrease in vacancy rates in 31 communities,
- No change in vacancy rates in 2 communities.

The communities that experienced the most significant changes since 2010 were Bassano, where vacancy rates increased 14.8 per cent, and Swan Hills, where vacancy rates decreased by 29.4 per cent.

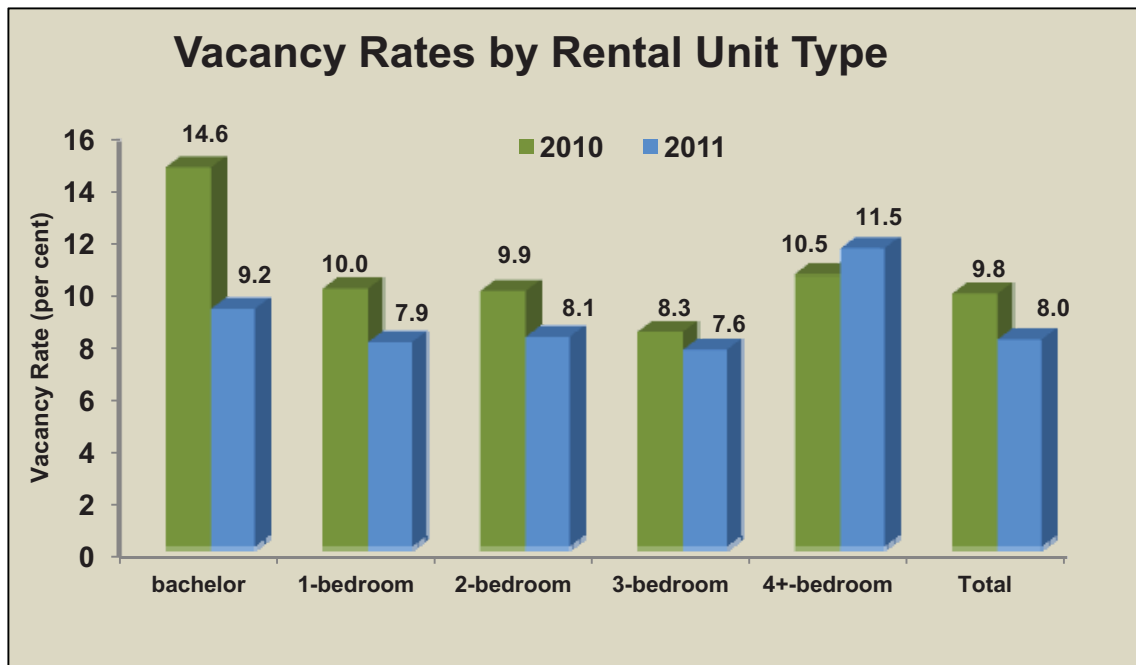
No comparative 2010 data was available for the communities of Bow Island and Eckville, as 2011 was the first year these communities have been surveyed.

Vacancy Rates Declined in Majority of Private Market Rental Units

Compared to 2010, the average vacancy rates in 2011 decreased for all bedroom types with the exception of four - or more - bedroom rental units. Bachelor units showed the largest decrease in vacancies, from 14.6 per cent in 2010 to 9.2 per cent in 2011.

The lowest vacancy rate for 2011 was reported in three-bedroom rental units at 7.6 per cent, down from 8.3 per cent in 2010.

The following graph compares the 2010 and 2011 vacancy rates by type of unit.



Lower Vacancy Rates Reported by Most Types of Buildings

The average vacancy rate for all types of buildings decreased between 2010 and 2011, with the exception of four-plex structures, where vacancy rates increased by 1.4 per cent. The largest notable decrease, 11.4 per cent, was reported in high-rise buildings.

Even though high-rise buildings had the largest decrease in vacancy rate compared to 2010, they represent the highest overall vacancy rate at 12.4 per cent for all building types in the 2011 survey. The lowest vacancy rate, 7.4 per cent, was reported in row/townhouse rental units, with walk-up buildings having the second lowest vacancy rate of 7.8 per cent.

The following table compares the results of the 2010 and 2011 surveys related to the overall average vacancy rates, by building type, for all communities.

Building Type	Average Vacancy Rate		Percentage Point Change
	2010	2011	2010/2011
Four-plex	6.8%	8.2%	1.4%
Walk-up	10.5%	7.8%	-2.7%
Row/Townhouse	9.0%	7.4%	-1.6%
High-rise	23.8%	12.4%	-11.4%
Store-top	10.6%	8.6%	-2.0%
Other	12.0%	11.9%	-0.1%
Overall Total	9.8%	8.0%	-1.8%

Note: Overall total is determined by utilizing raw data (found in Table 4) and calculating the total number of vacancies by building type divided by the total number of units surveyed.

Alberta's Rural Private Market Rental Stock Increased in 2011

Rental stock may change (increase or decrease) on a permanent or temporary basis from year to year due to factors such as new construction, demolitions, or renovations. The 2011 Apartment Vacancy and Rental Cost Survey (AVS) does not include 103 owner-occupied caretaker units rented at a discount and 139 units undergoing renovations.

The total number of rental units included in 2011 AVS was 11,579 compared to 11,335 in 2010, an increase of 2.2 per cent.

This increase in the rental stock is largely attributed to the addition of 21 new buildings containing 105 units that were added to the survey. Of these, 40 rental units were four-plexes. These units were identified in Athabasca, Banff, Didsbury, Drumheller, Innisfail, Vermilion, and Wainwright.

Note: Rental stock from communities included in the 2011 AVS for the first time was excluded from these calculations to provide an accurate comparison with 2010 data.

The following table compares 2010 and 2011 rental stock and their respective building types:

Building Type	Number of Units Included in the Survey 2010	Number of Units Included in the Survey 2011	Per cent Change (%)
Four-plex	1,938	2,025	4.5
Walk-up	7,316	7,525	2.9
Row/Townhouse	1,322	1,260	-4.7
High-rise	105	105	0.0
Store-top	246	245	-0.4
Other	408	419	2.7
Total	11,335	11,579	2.2

Incentives Continued in 2011

Although there was an overall decrease in vacancy rates for rental units in 2011, these rates are still high compared to 2008 levels. Landlords of 45 buildings in 22 of the 64 communities surveyed offered various incentives to attract new tenants. The type of incentives reported in 2011 Apartment Vacancy and Rental Cost Survey (AVS) included:

- One-month free rent or a discount in rent with a six-month to a one-year lease
- Waiver of damage deposit fees
- Free cable or satellite TV
- Free laundry or parking
- Utilities packaged and included in the monthly rent.

Majority of Rural Alberta's Rental Stock is over 10 Years Old

A total of 1,277 buildings were included in the 2011 AVS of which 1,141 or 89.3 per cent were identified as over 10 years old. The largest number of buildings (518) are between 21 and 30 years old. The following provides a breakdown of rental stock by age and number of buildings:

- 0 to 6 months - included 11 buildings
- 7 to 23 months - included 18 buildings
- 2 to 5 years - included 50 buildings
- 5 to 10 years - included 57 buildings
- 11 to 20 years - included 80 buildings
- 21 to 30 years - included 518 buildings
- 31 to 40 years - included 332 buildings
- 40+ years - included 211 buildings

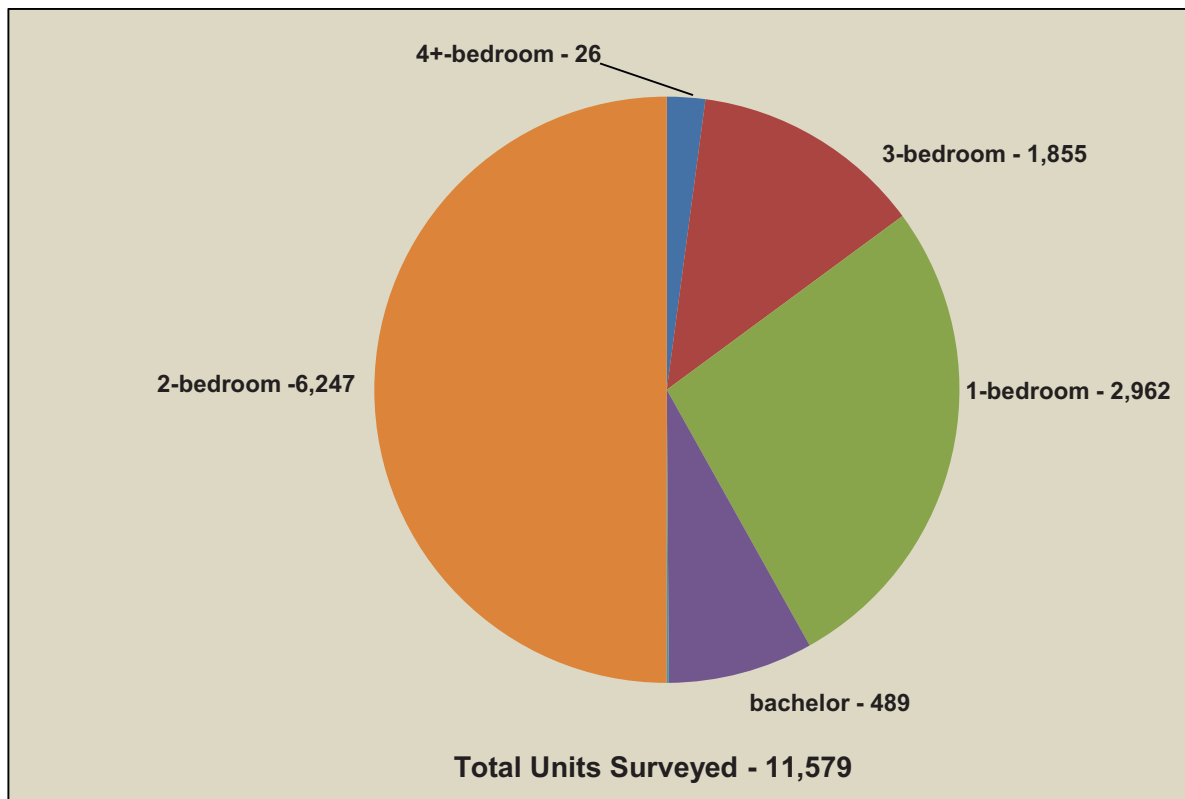
Two-bedroom Private Market Rental Units Remained Most Common

Two-bedroom rental units remained the most common type of rental unit totaling 6,247, and representing 54.0 per cent of all the rental units included in the survey. The majority of two-bedroom rental units (2,766 out of 6,247) were located in the central region of Alberta, which consists of the communities between Whitecourt/Bonnyville and Drayton Valley/Tofield.

- The community reporting the highest number of two-bedroom rental units was the Town of Whitecourt, with 404 units, followed by the Town of Edson and the town of Peace River with 390 and 328 units, respectively.
- Rental units with four or more bedrooms accounted for less than 0.1 per cent of the total rental units included in the survey.

The following graph illustrates the number of rental units by type.

Number of Rental Units by Type



Slight Increase in Average Rental Rates

Across rural Alberta, average rental rates increased slightly for the majority of unit types. In 2011, rental rates increased by an average increase of 2.2 per cent year-over-year.

- Rental rates for units with the four or more bedrooms increased by \$73, from \$996 in 2010 to \$1,069 in 2011, the highest price increase in 2011 when compared to the other unit types.
- Three-bedroom rental units were the only unit types where the average rent remained unchanged.

The average rental rates varied among communities across the province as follows:

- Average rental rates for one-bedroom units ranged from a low of \$375 per month in Ponoka and Drumheller to \$1,450 in Banff
- Average rental rates for a two-bedroom unit ranged from \$500 in Vegreville to \$2,000 in Banff
- Two-bedroom rental units were found for less than \$500 in Bassano, Peace River, Claresholm, Fairview, and Didsbury
- Communities in the southern region of Alberta (south of Bassano) had the lowest overall average rental rates for all bedroom types
- Communities in the central region of Alberta (between Westlock and Drayton Valley) reported the highest overall average rental rates for all bedroom types.

The following table compares the average rental rates by unit type for the 2009, 2010, and 2011 surveys.

Private Market Rental Units Type	Average Rental Rates			Dollar Change		Percentage Change	
	2009	2010	2011	2009/10	2010/11	2009/10	2010/11
Bachelor	\$527	\$535	\$548	\$8	\$13	1.5%	2.4%
One-bedroom	\$627	\$640	\$642	\$13	\$2	2.1%	0.3%
Two-bedroom	\$736	\$751	\$761	\$15	\$10	2.0%	1.3%
Three-bedroom	\$846	\$844	\$844	-\$2	\$0	-0.2%	0%
Four+- bedroom	\$968	\$996	\$1,069	\$28	\$73	2.9%	7.3%

Condominium Conversion

Condominium conversions result in a decline of the rental units available in a community on a permanent basis. As a result, conversions may impact the data gathered for other aspects of the survey.

An increase in condominium conversions was reported this year with 83 rental units in 6 communities being converted into condominiums compared to 67 in 2010. The significant condominium conversion took place in Edson where 54 private rental units converted to condominiums.

The table outlines the communities reporting condominium conversions and the number of rental units converted in 2011 compared to 2010.

2010		2011	
Community	Units	Community	Units
Banff	14	Athabasca	6
Blackfalds	4	Edson	54
Fort Macleod	6	Hinton	14
Hinton	22	Jasper	4
Innisfail	7	Ponoka	4
Stettler	12	Taber	1
Vegreville	2		
Total	67	Total	83