

Rental Market Update

Kitchener-Cambridge-Waterloo CMA

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Lead Economist (Southern Ontario)

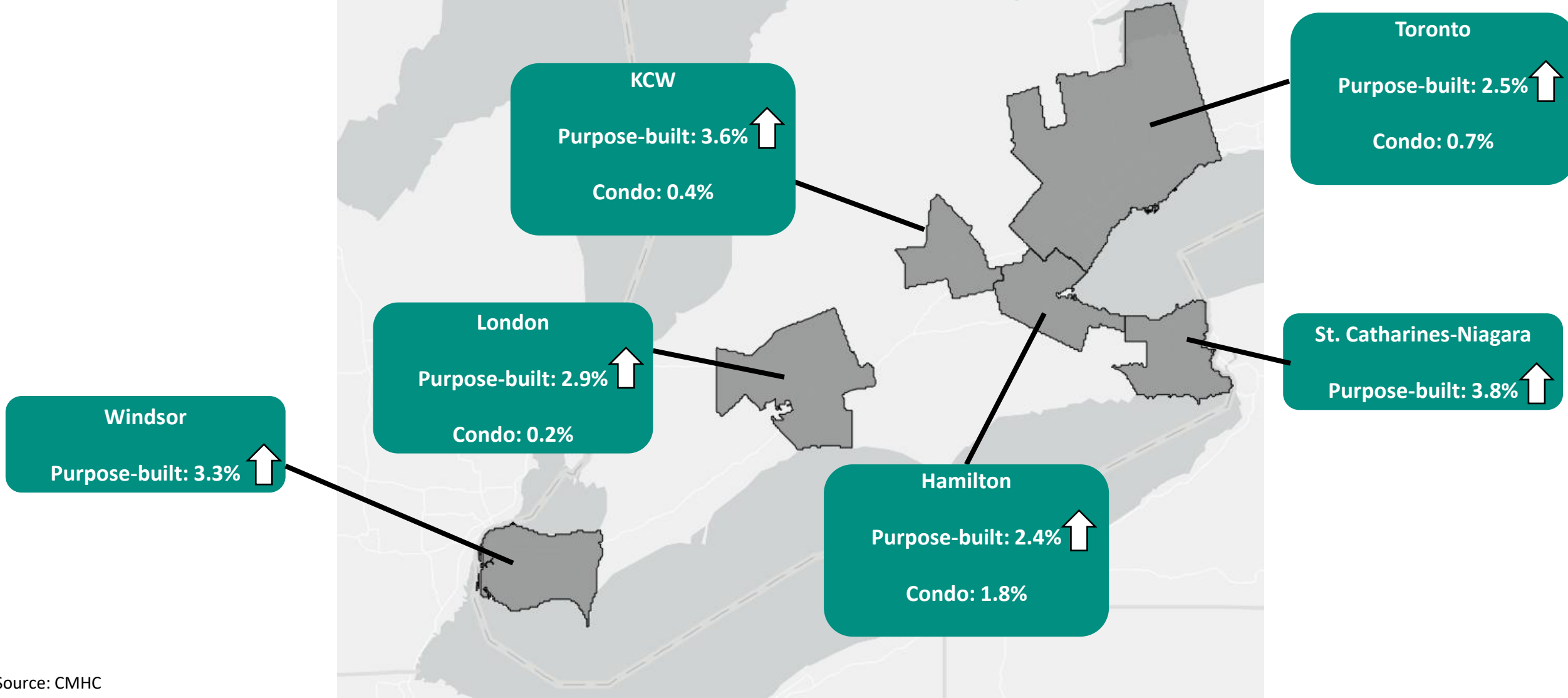


2024 Rental Market Survey

A photograph of a person standing in a room, viewed from behind, looking out a large window. The room is filled with numerous cardboard boxes, suggesting a moving or storage scenario. The entire image is overlaid with a semi-transparent teal color. The text '2024 Rental Market Survey' is centered in white, bold font.

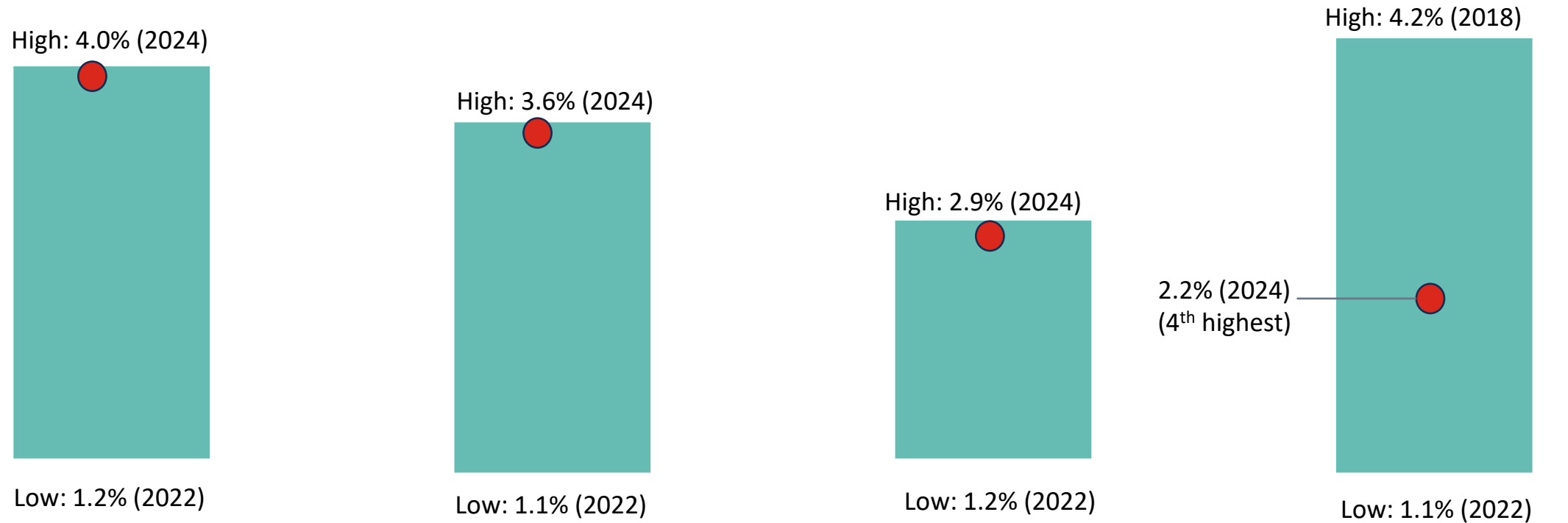
Higher PBR vacancy rates, while condo vacancies stable

2024 rental apartment vacancy rates and year-over-year change in direction
(Select Southern Ontario CMAs)



Kitchener and Waterloo's 1 and 2-bedrom PBR vacancy rates historically high

Vacancy rates in purpose-built rental apartments (2015-2024)



Kitchener 1-bedroom

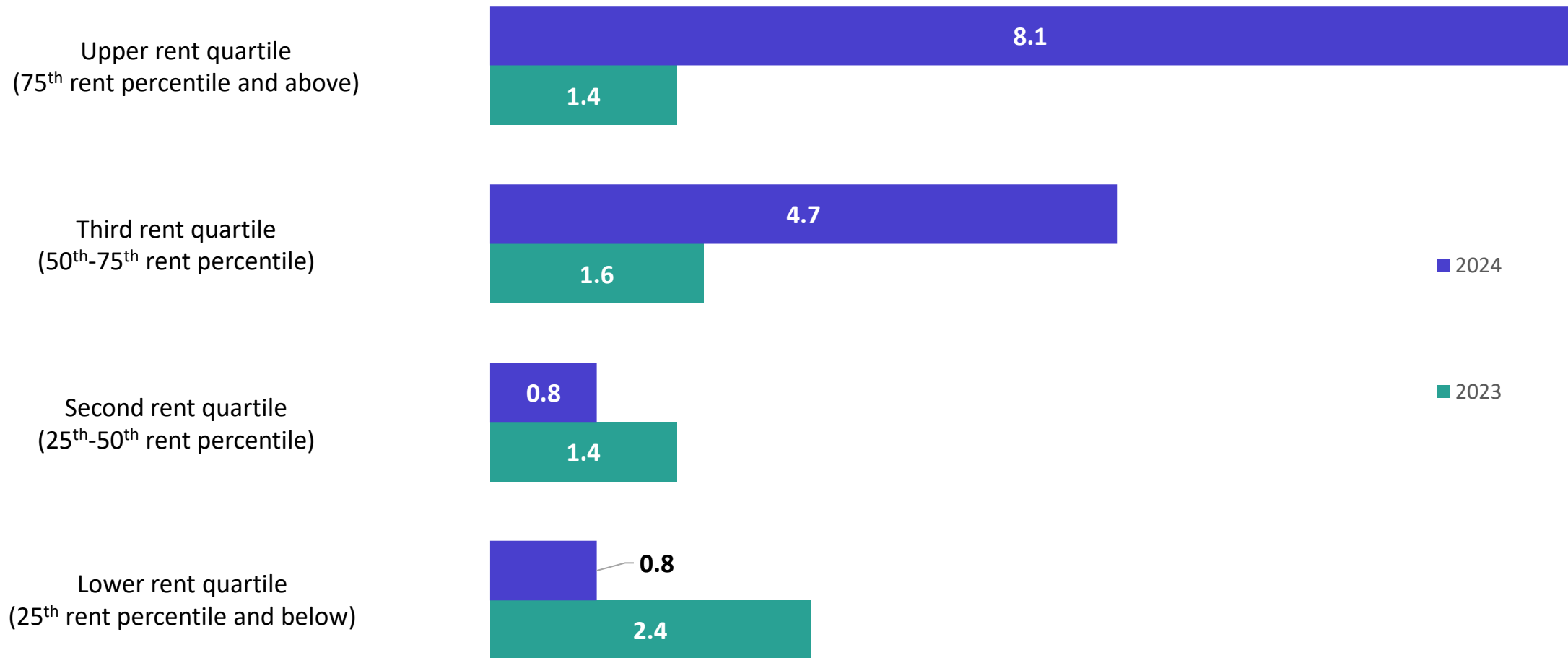
Kitchener 2-bedroom

Waterloo 1-bedroom

Waterloo 2-bedroom

Higher PBR vacancy rates due to slow lease-up of most expensive units

Vacancy rate by rent quartile (Purpose-built rental apartments, KCW CMA)



Much higher PBR vacancy rates around Conestoga College Kitchener

Kitchener (Pioneer Park/Doon/Wyldwoods)



Private Apartment Vacancy Rates (%)

	OCT-21	OCT-22	OCT-23	OCT-24
Bachelor	4.9 d	**	**	**
1 Bedroom	3.3 c	2.0 a	2.6 b	3.4 c
2 Bedroom	2.4 a	1.3 a	0.6 a	3.2 c
3 Bedroom +	1.4 a	2.1 c	0.3 b	2.7 c
Total	2.6 a	1.6 a	1.2 a	3.3 c

The following letter codes are used to indicate the reliability of the estimates:

a – Excellent, b – Very good, c – Good, d – Poor (Use with Caution)

Highest PBR vacancy rate in Kitchener West

Kitchener (Highland West/Victoria Hills/Westmount)



Private Apartment Vacancy Rates (%)

	OCT-21		OCT-22		OCT-23		OCT-24	
Bachelor	**	**	3.2	d	**			
1 Bedroom	2.8	b	0.9	a	6.4	c	7.3	c
2 Bedroom	1.9	b	1.4	a	1.0	a	3.6	c
3 Bedroom +	**	**	2.1	c	2.7	b		
Total	2.5	a	1.2	a	3.0	b	5.0	b

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Lowest PBR vacancy rate in Waterloo Uptown

Waterloo (Uptown)



Private Apartment Vacancy Rates (%)

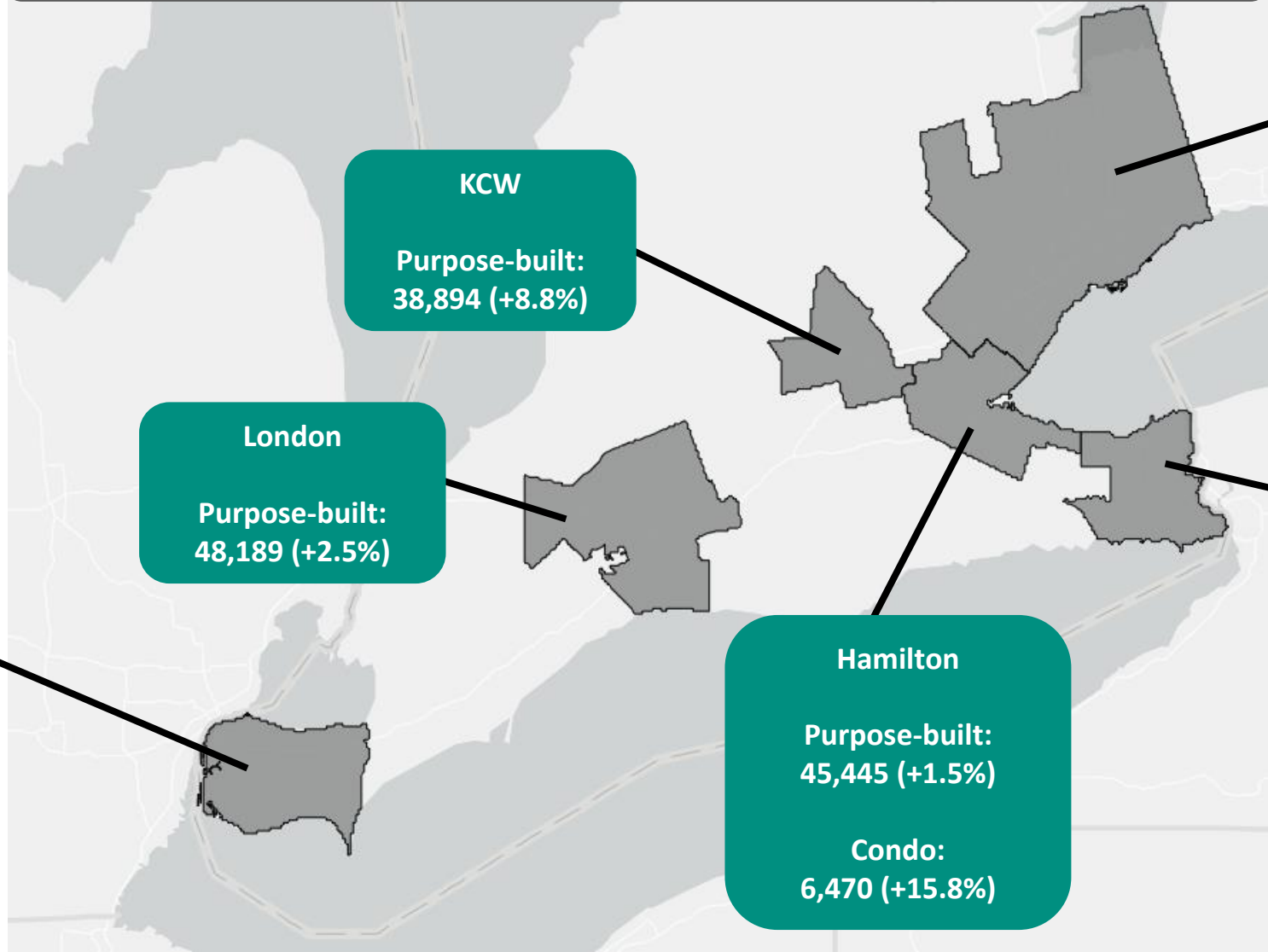
	OCT-21		OCT-22		OCT-23		OCT-24	
Bachelor	0.0	d	0.0	d	**	**		
1 Bedroom	**		1.3	a	0.7	b	**	
2 Bedroom	1.2	a	1.1	a	2.9	c	0.8	a
3 Bedroom +	**		0.0	d	**		**	
Total	1.3	a	1.1	a	2.3	c	1.1	a

The following letter codes are used to indicate the reliability of the estimates:

a – Excellent, b – Very good, c – Good, d – Poor (Use with Caution)

Strong rental supply growth in some Southern Ontario regions

2024 rental apartment universe and year-over-year change
(Select Southern Ontario CMAs)



Toronto
Purpose-built:
334,748 (+2.8%)
Condo:
207,925 (+13.5%)

KCW
Purpose-built:
38,894 (+8.8%)

London
Purpose-built:
48,189 (+2.5%)

Windsor
Purpose-built:
18,380 (+5.0%)

Hamilton
Purpose-built:
45,445 (+1.5%)
Condo:
6,470 (+15.8%)

St. Catharines-Niagara
Purpose-built:
15,838 (+3.3%)

Kitchener's PBR supply increase highly concentrated in Central Region

Kitchener Central (census tract 0017.00)



Number of Private Apartment Units

	OCT-21	OCT-22	OCT-23	OCT-24
Bachelor	35	35	35	35
1 Bedroom	213	211	212	559
2 Bedroom	309	310	309	456
Total	557	556	556	1,050

Kitchener Central (census tract 0016.00)

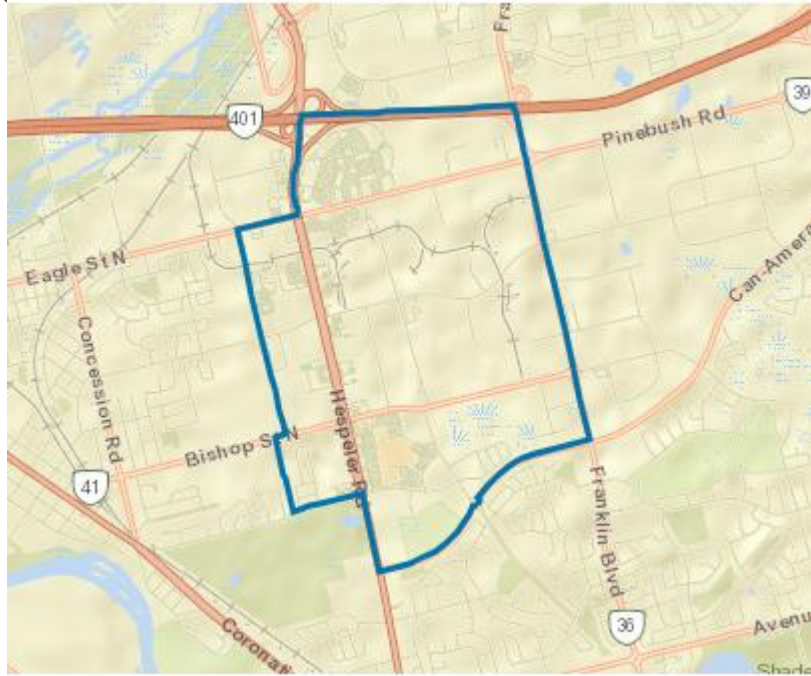


Number of Private Apartment Units

	OCT-21	OCT-22	OCT-23	OCT-24
Bachelor	58	32	32	32
1 Bedroom	352	366	421	527
2 Bedroom	551	549	557	616
3 Bedroom +	18	18	18	22
Total	979	965	1,028	1,197

Cambridge's PBR supply increase mainly in Preston and Galt West

Cambridge - Preston
(census tract 0126.05)



Number of Private Apartment Units

	OCT-21	OCT-22	OCT-23	OCT-24
Bachelor	4	4	4	4
1 Bedroom	154	154	154	312
2 Bedroom	369	369	369	495
Total	527	527	527	811

Cambridge - Galt West
(census tract 0016.00)



Number of Private Apartment Units

	OCT-21	OCT-22	OCT-23	OCT-24
Bachelor	3	3	2	8
1 Bedroom	238	249	249	274
2 Bedroom	157	145	145	229
3 Bedroom +	3	3	3	4
Total	401	400	399	515

Waterloo's PBR supply increase occurred in many neighbourhoods

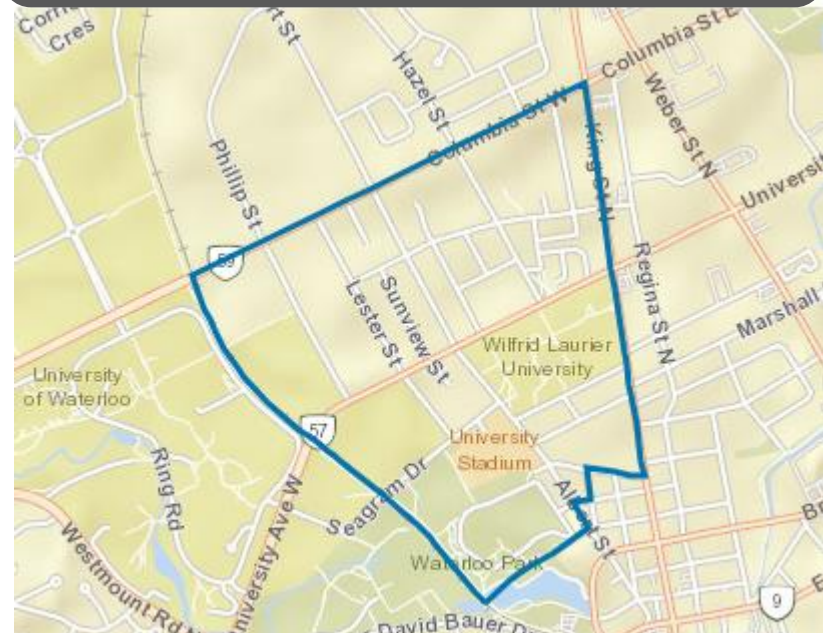
Waterloo Northwest (Beechwood/Erbville/Laurelwood/ Lakeshore/Northfield)



Number of Private Apartment Units

	OCT-21	OCT-22	OCT-23	OCT-24
Bachelor	23	13	13	13
1 Bedroom	395	402	392	392
2 Bedroom	1,579	1,578	1,577	1,895
3 Bedroom +	76	79	79	79
Total	2,073	2,072	2,061	2,379

Waterloo University (census tract 0106.01)

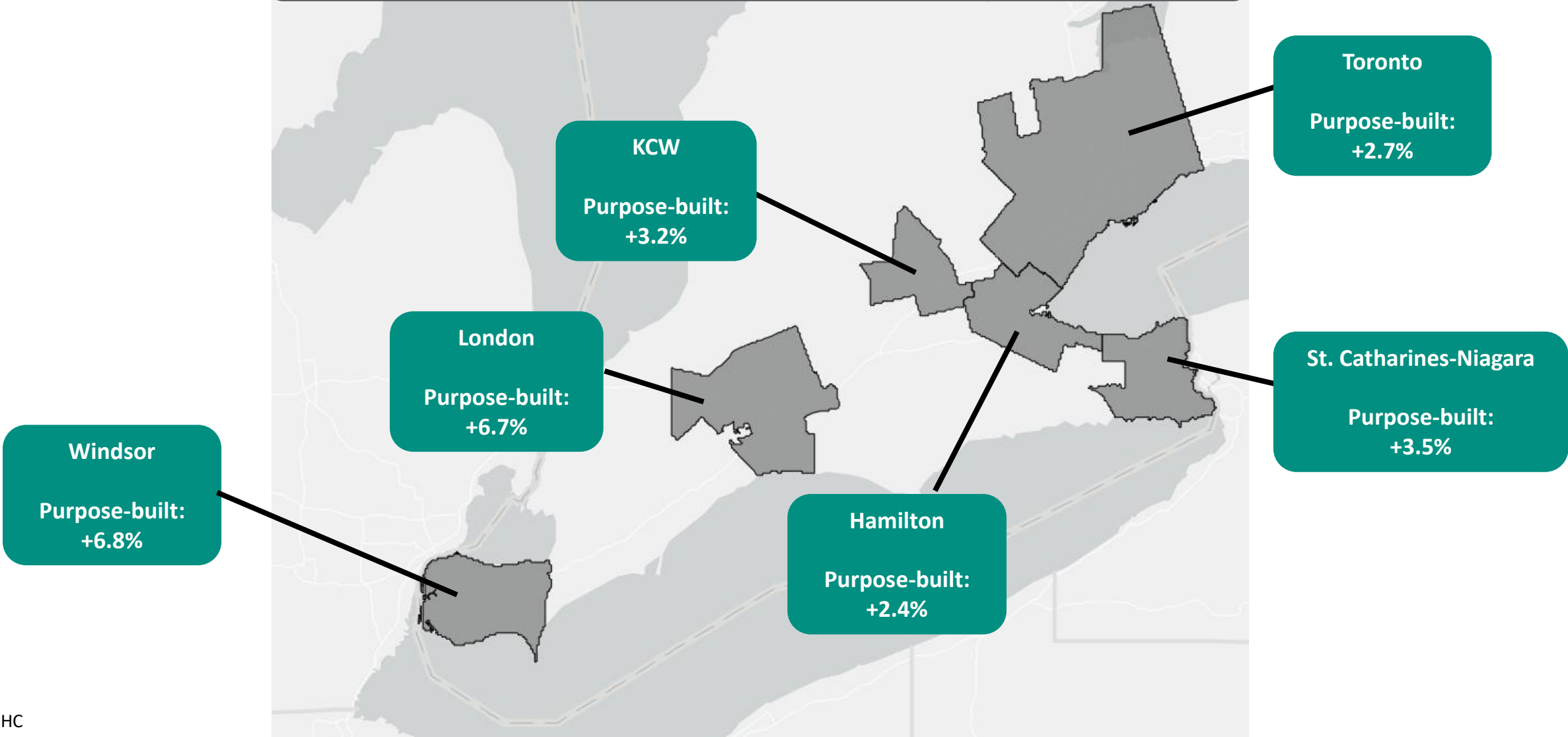


Number of Private Apartment Units

	OCT-21	OCT-22	OCT-23	OCT-24
Bachelor	33	33	30	30
1 Bedroom	346	346	428	428
2 Bedroom	930	1,123	952	1,230
3 Bedroom +	628	591	544	544
Total	1,937	2,093	1,954	2,232

Slower PBR rent growth in many Southern Ontario regions

Percentage change of average rent
(Select Southern Ontario CMAs, 2023 to 2024)



High average PBR asking rents contributing to low unit turnover

Average asking rent of vacant PBR units (2024)

■ 1-bedroom ■ 2-bedroom



Most vacant PBR units in Kitchener unaffordable to low and middle-income renters

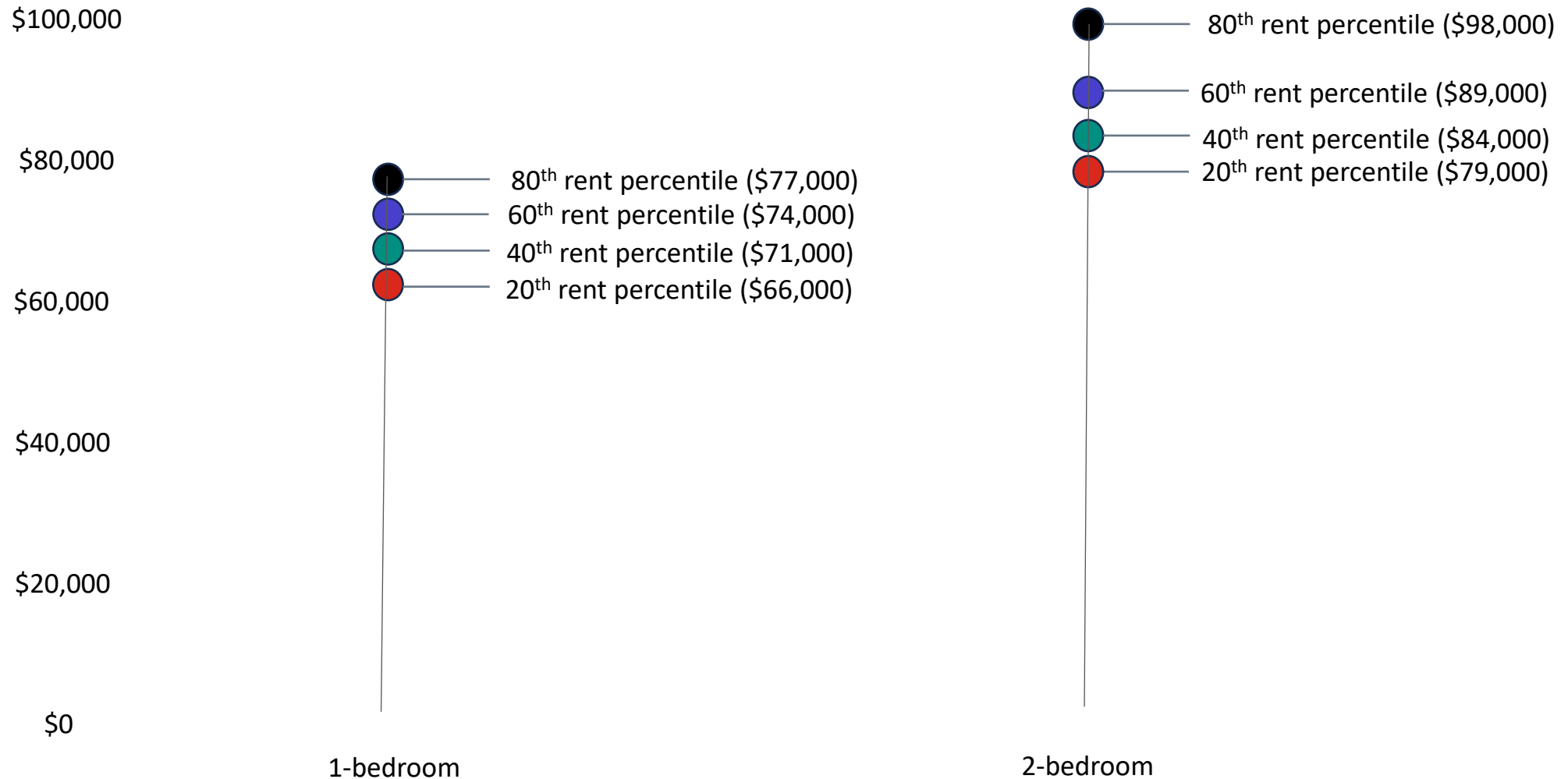
Vacant unit asking rent quintiles (City of Kitchener, 2024)

■ 1-bedroom ■ 2-bedroom



Most vacant PBR units in Kitchener unaffordable to low and middle-income renters

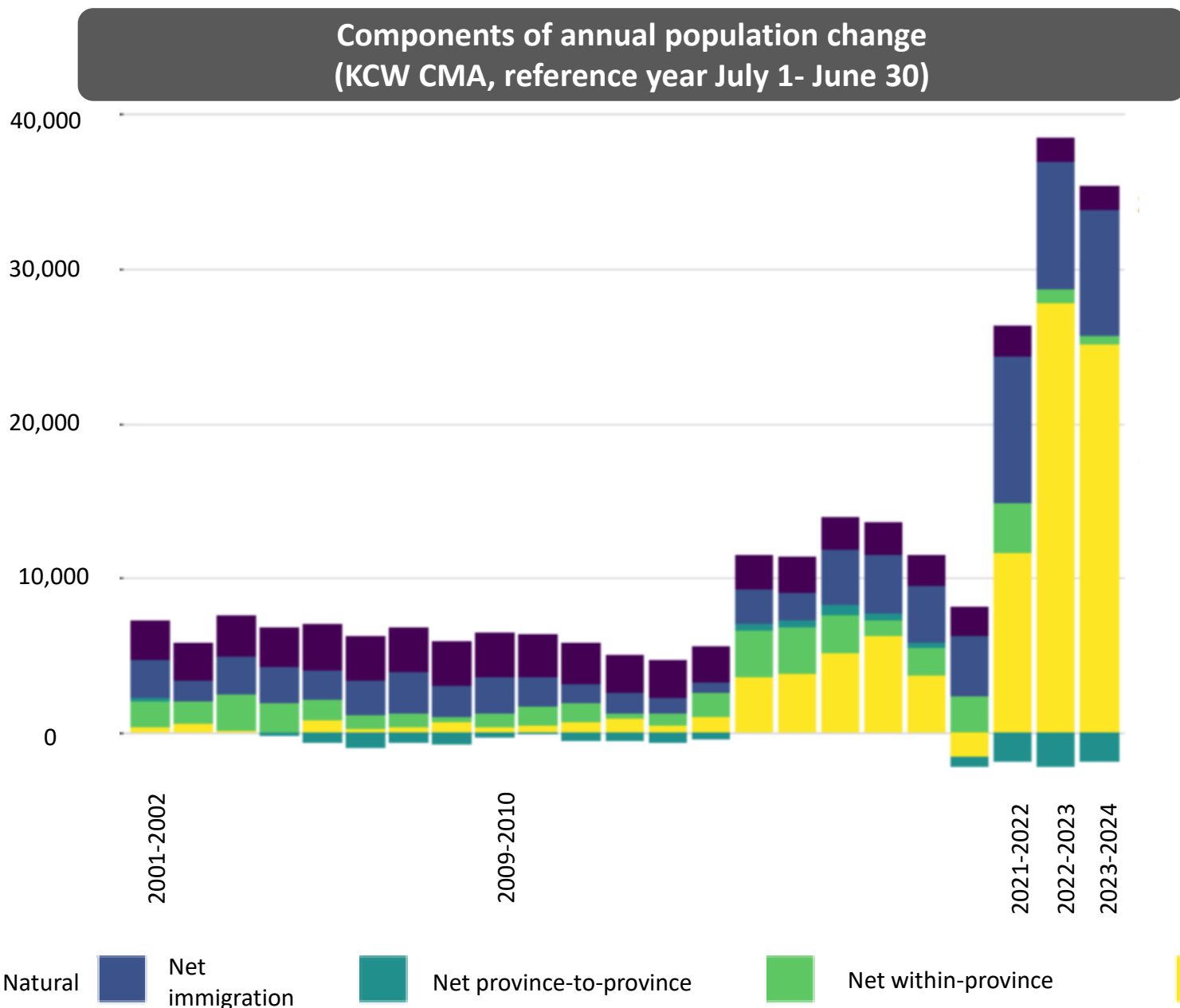
Income affordability thresholds for vacant purpose-built rental units (City of Kitchener, 2024)



A person is standing in a room, looking out a large window. The room is filled with boxes and furniture, suggesting a move or renovation. The entire image is overlaid with a teal color. The text "2025 Rental Market Outlook" is centered in white.

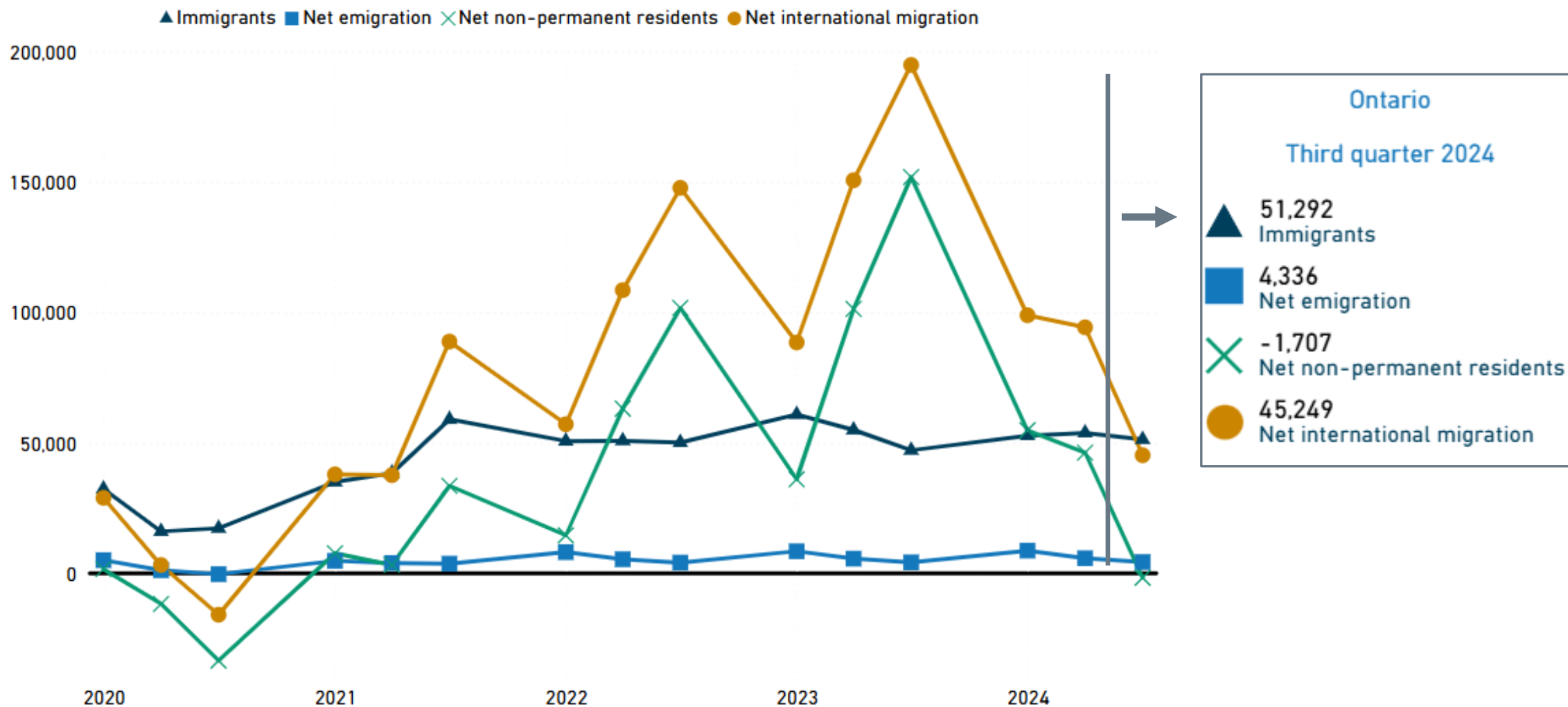
2025 Rental Market Outlook

KCW's 2021-2023 population surge largely from international migration



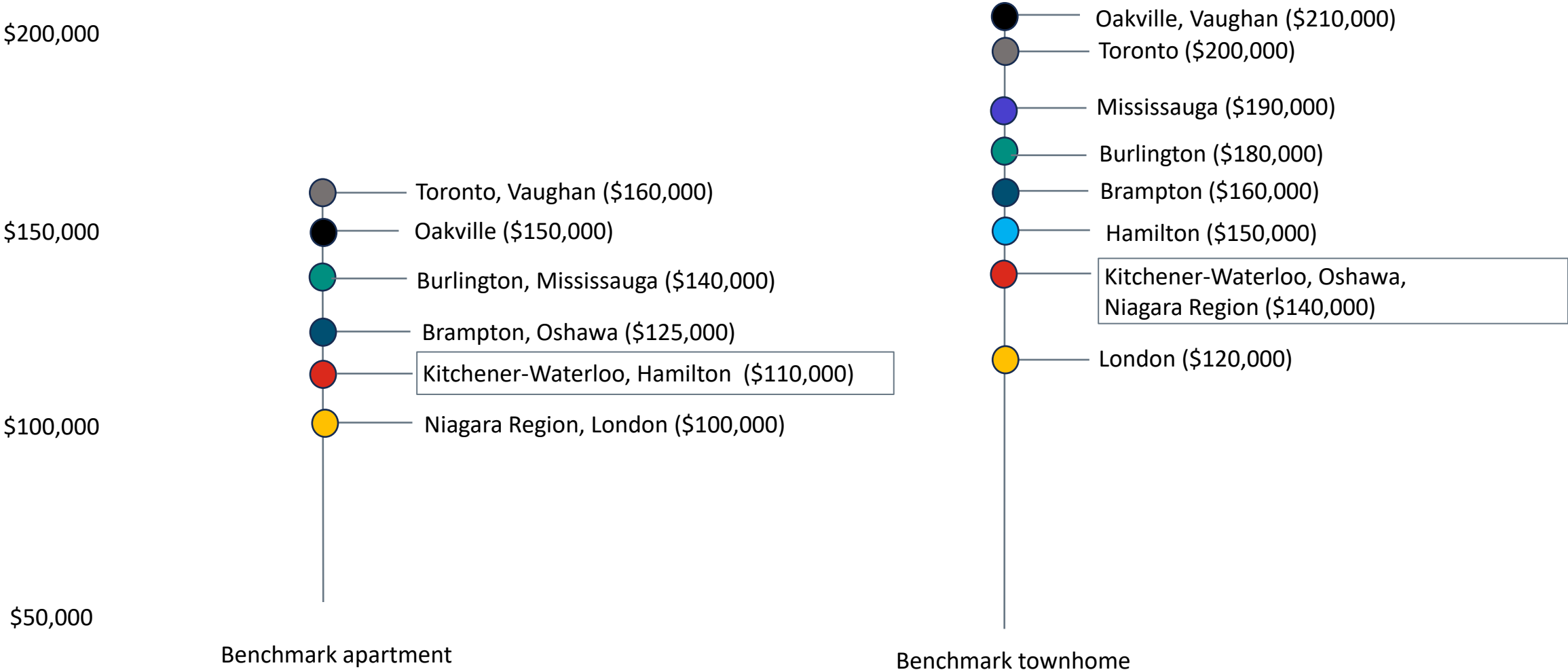
Ontario net international migration started to slow down in 2024 second half

International migration components (Ontario, quarterly)



Few renters in Southern Ontario can buy a starter home

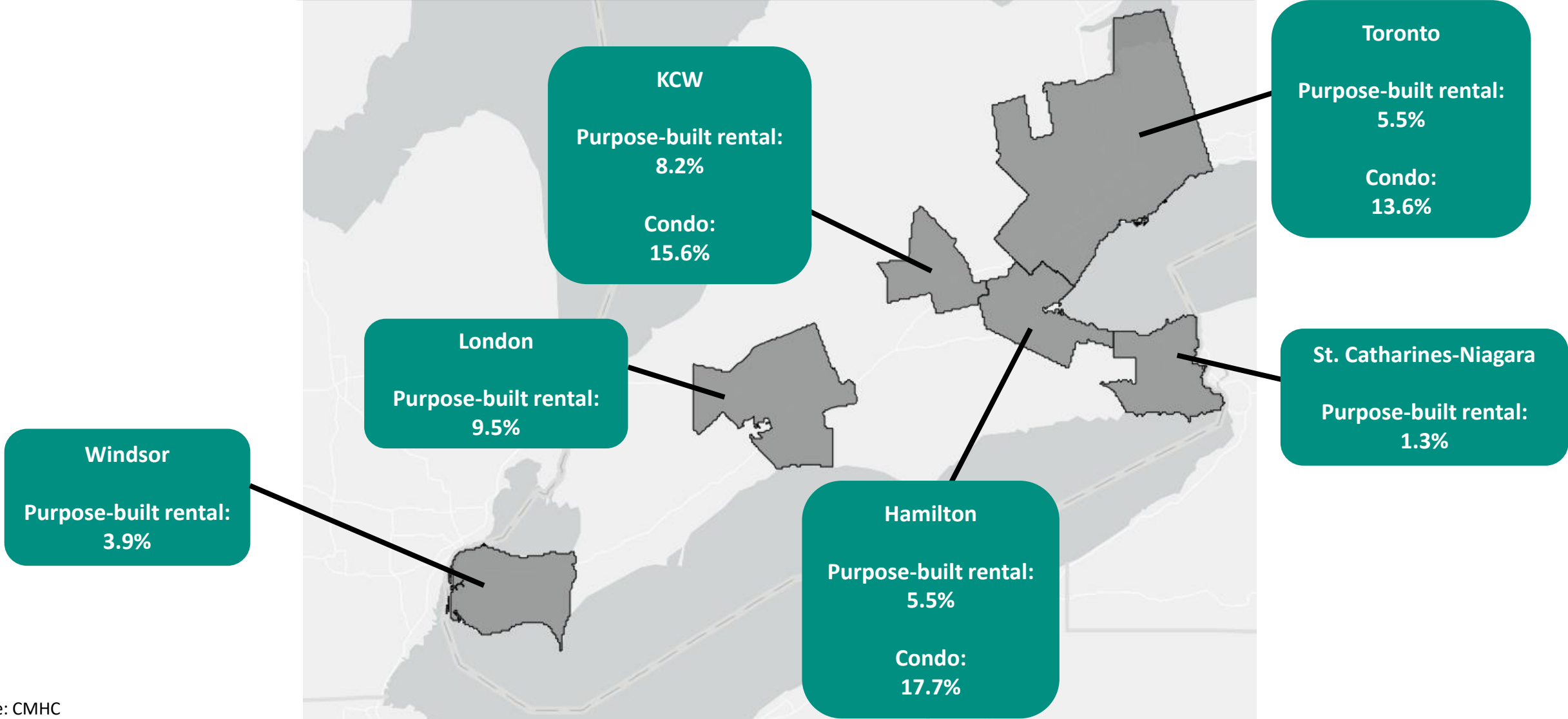
Estimated income qualification thresholds for benchmark homes with minimum downpayment (December 2024)



Mortgage payments based on benchmark prices, lowest mortgage stress test rate, 30-year amortization
Source: CREA, TRREB, Ratehub, calculations by CMHC.

Expect significant rental supply growth in Southern Ontario this year

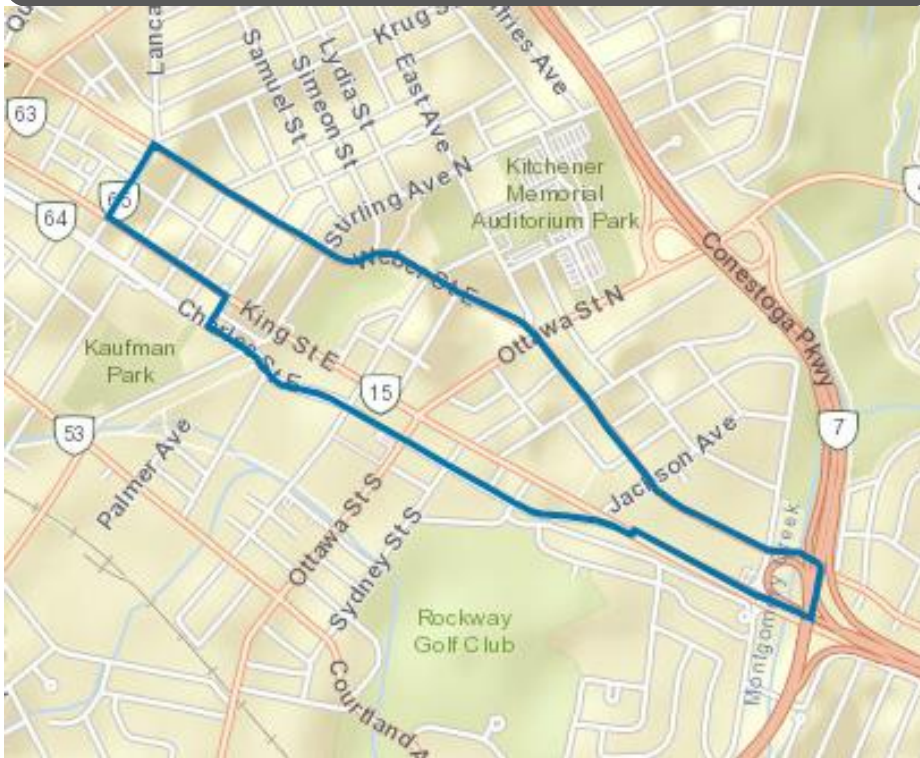
Apartments under construction at end of 2024 as a percentage of current universe
(Select Southern Ontario CMAs)



Source: CMHC

KCW's PBR under construction highly concentrated in Kitchener Central and Kitchener East

Kitchener Central (census tract 0012.00):
566 units



Kitchener Central (census tract 0011.00):
423 units



KCW's PBR under construction highly concentrated in Kitchener Central and Kitchener East

Kitchener East (census tract 0014.03):
394 units



Kitchener East (census tract 0004.01):
304 units



Rental vacancy rate to continue trending up in 2025



Forecast Summary — Kitchener-Cambridge-Waterloo

	2022	2023	2024	2025(F)
Rental Market				
Vacancy Rate (%)	1.2	2.1	3.6	3.8

Rental Market Report

Rental Market Report

Fall 2024



- In depth analysis of rental market trends
- Focuses on purpose-built and condominium apartment rental segments
- Regional snapshots of 18 Metropolitan Areas in Canada, including Toronto, Hamilton, St. Catharines-Niagara, Kitchener-Cambridge-Waterloo, London and Windsor.

Housing Market Information Portal

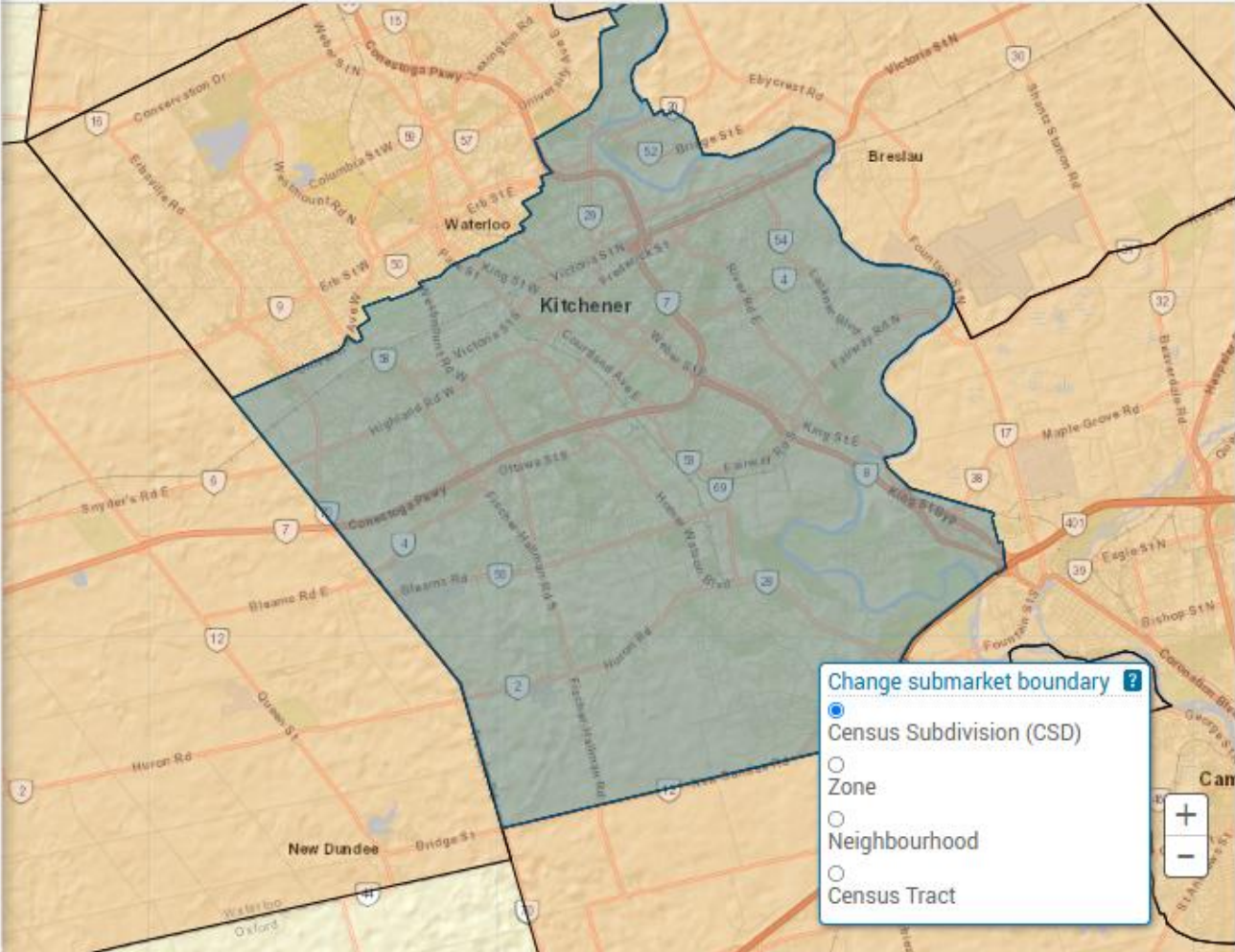
FULL VIEW

Kitchener (CY)

- NEW HOUSING CONSTRUCTION +
- PRIMARY RENTAL MARKET +
- POPULATION, HOUSEHOLDS AND HOUSING STOCK +
- CORE HOUSING NEED +

Select location using the dropdown or the interactive map below

Canada ▾ Ontario ▾ Kitchener - Cambridge - Waterloo ▾ Kitchener (CY)



Change submarket boundary ?

- Census Subdivision (CSD)
- Zone
- Neighbourhood
- Census Tract

+
-

Thank you!

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