

RESEARCH NOTE

RENTAL DEMAND FROM FAMILIES

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Historically, in Canada the target market for rental housing was younger singles and couples aged 22-32. That appears to be changing.

In Canada's major cities, people are renting longer and more families are choosing to rent apartments.

For some, the reason is financial—home ownership has become too expensive, especially in their preferred locations.

But for others it is a lifestyle choice. Renting is hassle free, offers cost certainty, and allows many renters to have more monthly disposable income than they would as owners and to afford great vacations or other coveted experiences.

New CMHC data shows that demand for the two bedroom and larger units in Toronto and Vancouver has been especially strong in recent years. Vacancy is now the lowest for two and three bedroom units in the Toronto metro area at 1.4 and 1 percent respectively despite twice as much new supply being added over the past 5 years in comparison to one bedroom units. In the Vancouver CMA over past five years the average vacancy rate in two bedrooms has been 1% and rental rates have risen by 6%, slightly above the one bedroom rate of 5.7%. Low vacancies below 3 percent and rising rental rates indicate that demand is exceeding supply.

Percentage of rental apartments/condos occupied by households with children; selected geographies.

Data: 2016 Census.

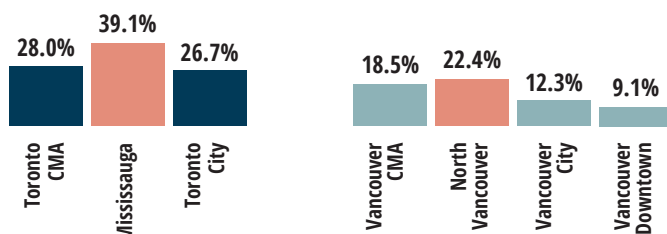


Figure 1

Source: CMHC

Toronto CMA	Vacancy 2019	Net New Supply 2015-2019	Rental Rate Increase, 2019
1 Bedroom	1.6%	2,824	7.9%
2 Bedroom	1.0%	4,240	6.5%
3 Bedroom	1.4%	204	6.1%

Source: CMHC

Vancouver CMA	Average Vacancy 2015-2019	Net New Supply 2015-2019	Rental Rate increase 2019
1 Bedroom	0.9%	2,231	5.7%
2 Bedroom	1.0%	1,796	6.0%
3 Bedroom	1.3%	102	7.4%

GWLRA has new purpose-built-rental developments underway across Canada, designed for renters throughout their life cycle. GWLRA's proprietary research that includes surveys as well as custom census data analysis, helped inform this approach. GWLRA has launched new suburban projects in Mississauga Ontario and North Vancouver British Columbia, with a greater emphasis on accommodating family renters by offering a wide range of amenities and unit types and sizes.

At Enfield place in Mississauga, the new 366-unit building will have 59% of units designed for singles and couples as one bedroom, and 41% two bedroom and larger. This nearly perfectly matches the apartment renter profile in Mississauga which contains 39% families with children, the largest proportion in Canada for regions in which GWLRA owns rental apartments.

At the Lower Lonsdale site in North Vancouver, where 160 units are under construction, 36% will be two bedrooms and larger in anticipation of unmet family demand in this market.

Where GWLRA's new developments especially work for families—and for everyone choosing to rent—is in the amenity offerings. Today many people spend more of their lives in higher density housing. Yet they want the same options more common in ground-oriented homes such as indoor and outdoor play spaces for children (to substitute for a basement rec room and a backyard), an outdoor area to host friends for a barbecue, and even a grand room for a party or an extended family celebratory dinner, plus an exercise room. The latest rental buildings offer these amenities, and much more.



Figure 2 - Rendering of multi-purpose court amenity at Enfield Place

Enfield Place will have a multi-purpose court for indoor activities like basketball, volleyball, etc. This unique apartment amenity space can also be used for different purposes throughout the day including a children's play gym, a place for yoga or fitness classes, a venue for a music recital, or an open gym hangout for teens after school.

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North Vancouver will not have a gymnasium (size of the project is too small); it will have flexible rooms that can be used for yoga, play spaces, meetings and other activities.



Figure 3 - Rendering of outdoor spaces at 232 East 2nd, North Vancouver

Both new rental projects will offer outdoor space for families—and everyone. Note the two levels, on the sloped Lower Lonsdale sight in Figure 3. Barbecue areas and outdoor seating with gas fire pits will be bookable for personal gatherings as well as available first come, first served.

As with all newer GWLRA rental developments, these buildings will offer spacious lounges and party spaces with kitchens that residents can use to host friends and family and can be programed with other activities for residents.

Rental housing has changed over the past decade. GWLRA (and other landlords) now build rental buildings that offer the benefits of ground-oriented home ownership—play space, party spaces, outdoor space—without the mortgage or maintenance burdens that accompany it.