

MONTHLY RENT PAYMENTS IN THE TWENTY LARGEST CANADIAN CENSUS METROPOLITAN AREAS (2017)

Across Canada, each city has its own unique distribution of rents. While some cities have little price variation, other, larger cities, have a wider distribution of rents. Additionally, some areas have relatively inexpensive housing, while some, even at the lowest quintile, start at a much higher price point.

The figure on the next page presents data on 20 Census Metropolitan Areas (CMAs) across Canada by quintile and the respective monthly rent price range for one-bedroom and two-bedroom apartments. The rents are sorted by price from the least to the most expensive, as observed in October 2017. Subsequently, those units are divided into quintiles, five equal groups of apartments available for rent.

For each city the first number in black is the rent paid on the unit at the top of the first quintile of rents. The second number in black is the rent paid on the unit at the top of the second quintile, the third is the rent paid at the top of the third quintile and, finally, the last number in black is the rent paid at the top of the fourth quintile of rents in that city. The number in red is the median monthly rent in that market, while the number in white is the average monthly rent. The rent of the unit at the top of the fifth quintile, the most expensive unit in the city, cannot be identified.

The data show that over the entire spectrum of the Canadian municipalities, residents pay a higher rent premium for more densely populated cities (except Montreal), likely due to various factors such as employment opportunities, availability of more diverse community and social services, climate and culture, amongst others. For instance, some individuals may be attracted to Vancouver because of its (relatively) mild climate and others to the Greater Toronto Area for its employment opportunities and cultural infrastructure.

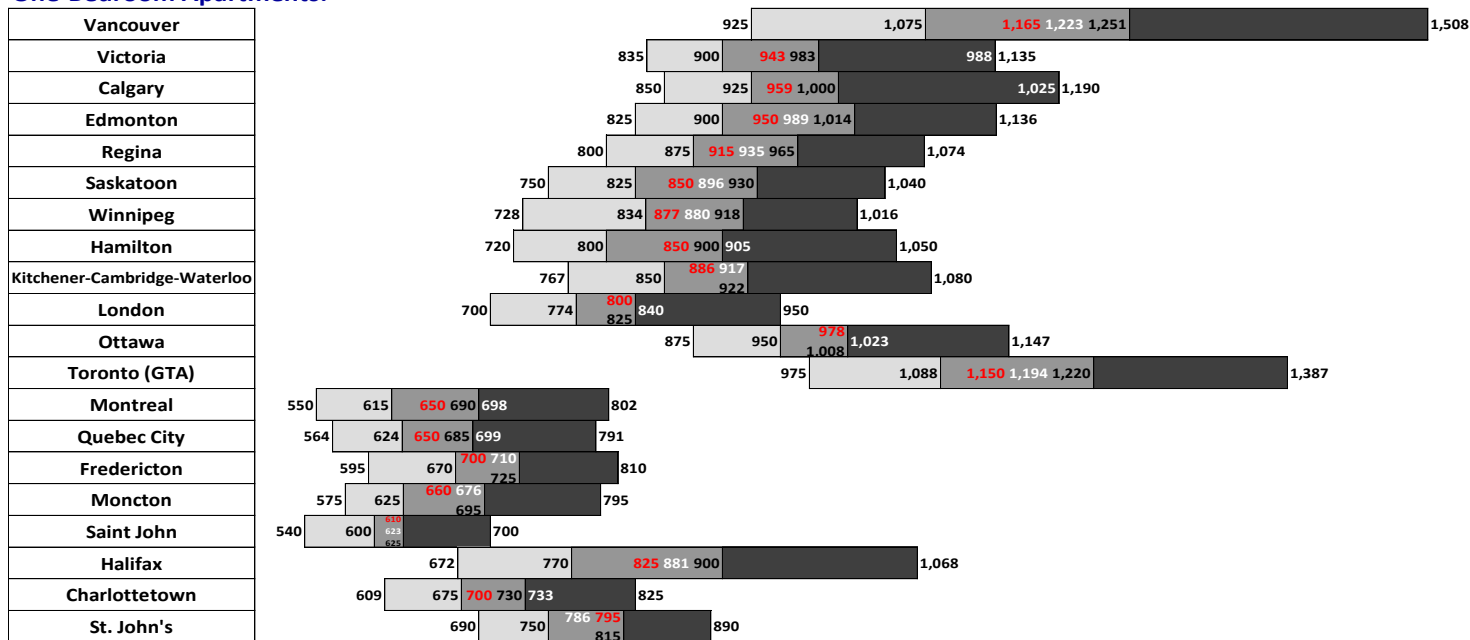
Cities in Quebec and the Atlantic provinces, with the exception of Halifax, have much lower rents and a smaller price variation, relative to cities in Ontario and the West. This suggests that strategies targeted at improving housing affordability cannot be applied uniformly across all cities or even provinces.

The observed variation in rents identifies a dilemma that the federal government is trying to solve regarding its application of housing strategies for low-income individuals. Applying poverty reduction strategies, as they relate to housing, should be approached cautiously, because not all areas in Canada require the same subsidies or other monetary incentives for the poorest households. Since housing is the largest budgetary expense for most low-income households, a focus on rental prices and availability should be the priority for any agency or government trying to help those in need. This requires close cooperation of all levels of governments to maximize budgets available for households, especially those in most need.

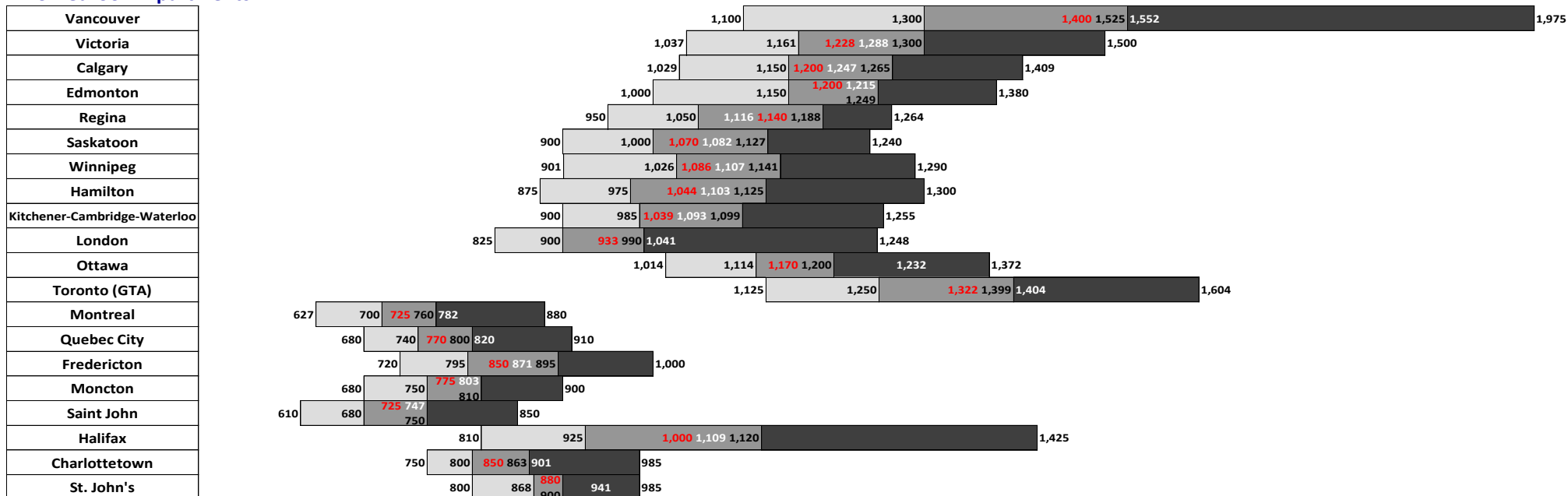
CMA Monthly Rent Quintiles by Type of Apartment, 2017:

2nd Quintile	3rd Quintile	4th Quintile	123 Average Monthly Dollar Rent	123 Median Monthly Dollar Rent	123 Highest Monthly Dollar Rent in a Quintile
--------------	--------------	--------------	------------------------------------	-----------------------------------	--

One-Bedroom Apartments:



Two-Bedroom Apartments:



Source: Adapted from CMHC Rental Market Survey 2017. This does not constitute an endorsement by CMHC of this product or the accuracy or quality of the information that it contains. Surveyed structures are apartments in primary rental market. Data shows rents in October of 2017. The black values are dollar amounts indicating the highest rent paid in each quintile.