



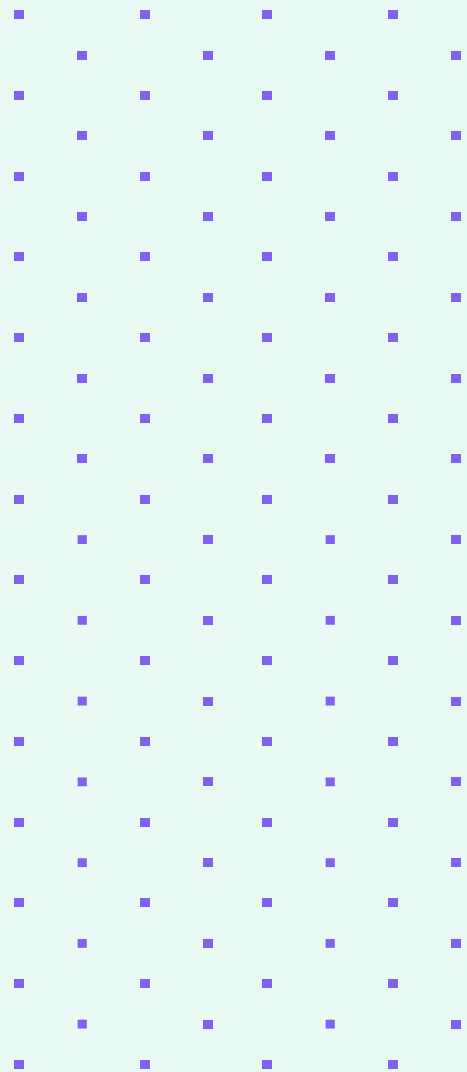
National Rental Report

Q3-2023



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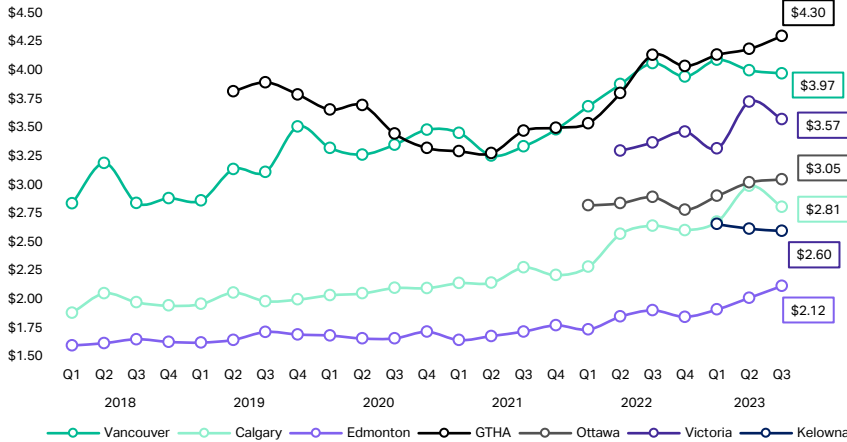
National Market Comparison

Rental Rates

- ✦ The GTHA recorded the highest per square foot rental rates for the fifth consecutive quarter with Metro Vancouver trailing closely behind.
- ✦ Edmonton continued to post the lowest per square foot rental rates by a wide margin despite experiencing notable rental growth throughout 2023.
- ✦ The GTHA, Ottawa and Edmonton were the only markets to experience an increase in per square foot rental rates, at 2.8, 0.9, and 5.4 percent, respectively.
- ✦ Edmonton also experienced the largest increase in per square foot values on a year over year basis, at 11.5 percent, while rates in Calgary rose by 6.4 percent year over year despite a six percent quarter over quarter decline.

- ✦ Downtown rental rates in the first quarter of 2023 were the highest in Metro Vancouver at \$4.78 per square foot.
- ✦ Although year over year Downtown Vancouver's \$PSF was down due to Q3-2022 being an outlier quarter with an unusually high proportion of one beds and studios among the quarter's availabilities.
- ✦ Overall, Zonda Urban predicts downtown rental rates to increase in all major markets over a long-term basis.

Average \$PSF



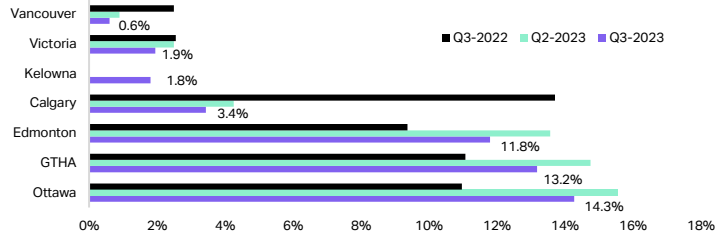
Average Downtown \$PSF



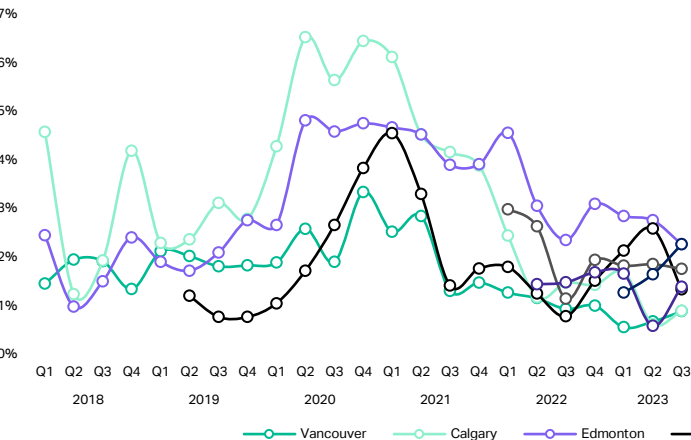
Vacancy

- ✦ Vacancy among stabilized projects in the third quarter was the lowest in Calgary and Vancouver at 0.9 percent.
- ✦ Stabilized vacancy was highest in Kelowna and Edmonton both at 2.3 percent.
- ✦ Overall vacancy continues to be highest in Ottawa due to its large proportion of actively leasing projects although it is on the decline as inventory in this market is getting absorbed quickly.
- ✦ There was a significant trend with overall vacancy declining in every tracked market in Q3.
- ✦ Downtown vacancy was lowest in Metro Vancouver at 0.6 percent, followed by Kelowna at 1.8 percent.

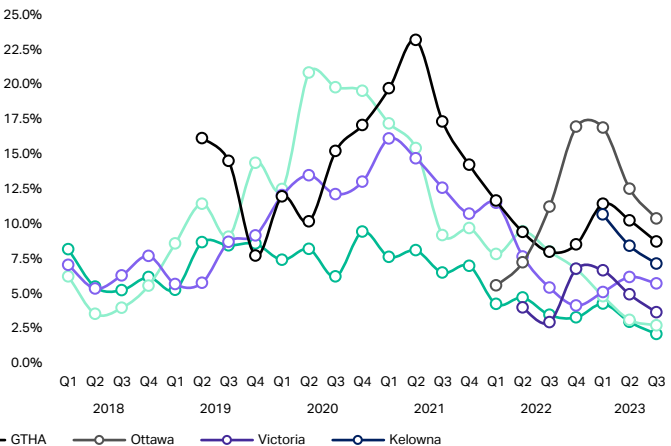
Downtown Overall Vacancy



Stabilized Vacancy



Overall Vacancy

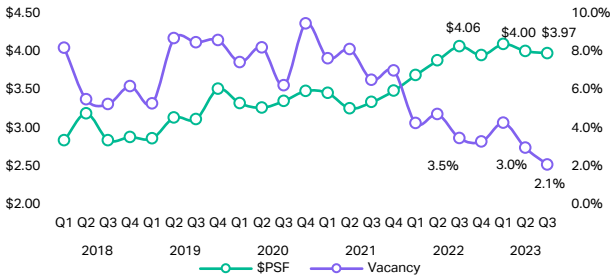


METRO VANCOUVER

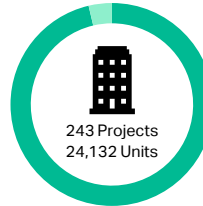
Overview

The Metro Vancouver purpose-built rental market had another strong quarter with overall vacancy reaching a new all-time low of 2.1 percent and passing last quarter's previous record of three percent. Per-square foot rental rates decreased very marginally by only 0.75 percent from the previous quarter. Four projects were launched this quarter adding 337 new units to the market. The next two quarters are expected to have several launches with 22 projects (2,669 units) at or past the interior finishing stage of construction. Downtown Vancouver remains an extremely tight market for tenants, with overall vacancy continuing to decrease now at 0.6 percent and average net rents at \$4.78 per square foot.

Vacancy Vs Net Rents



Projects



Stabilized (234 projects)
Actively Leasing (9 projects)

Notable Launches

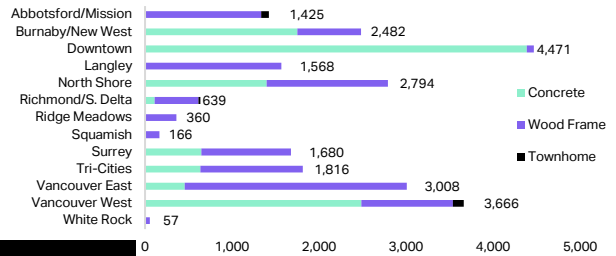
The Riley on Main Strand

Riva
Onni Group

Lynn
Mosaic Homes

Grand Lion
Bodewell

Units By Sub-Market



Rental Rates

Average Rents by Unit Type

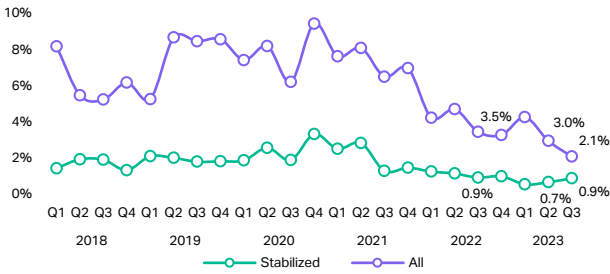
Unit Type	Active Concrete	Active Wood Frame	Stabilized Concrete	Stabilized Wood Frame
Studio	\$2,107	\$2,059	\$1,976	\$1,989
1 Bed	\$2,534	\$2,349	\$2,521	\$2,137
1 Bed + Den	\$2,809	\$2,462	\$3,067	\$2,127
2 Bed	\$3,640	\$3,184	\$3,787	\$2,788
2 Bed + Den	\$3,485	\$3,525	-	-
3 Bed	\$4,613	\$4,331	\$5,033	\$3,235

- ⌘ Downtown Vancouver remained the most expensive sub-market per square foot, followed by Vancouver East and Burnaby.
- ⌘ Average net rents for one-bedroom units were down 5.6 percent quarter over quarter.
- ⌘ Vancouver East and Richmond experienced the highest increase in average net rents quarter over quarter, increasing by 12 and 13 percent, respectively (Abbotsford was the only other sub-market that increased).

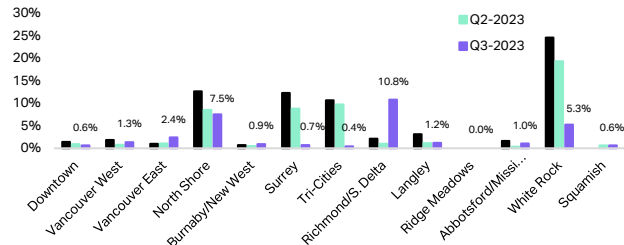
Vacancy

- ⌘ Overall vacancy decreased from 3.0 percent last quarter to a new all-time low of 2.1 percent indicating that the market is still strong enough to absorb the 337 new units that were added.
- ⌘ The 2,669 new units projected to launch over the next few quarters should help bring vacancy back above the four percent mark.
- ⌘ Vacancy among stabilized projects was up 0.2 percentage points quarter over quarter and was the same as Q3 2023.

Average Vacancy

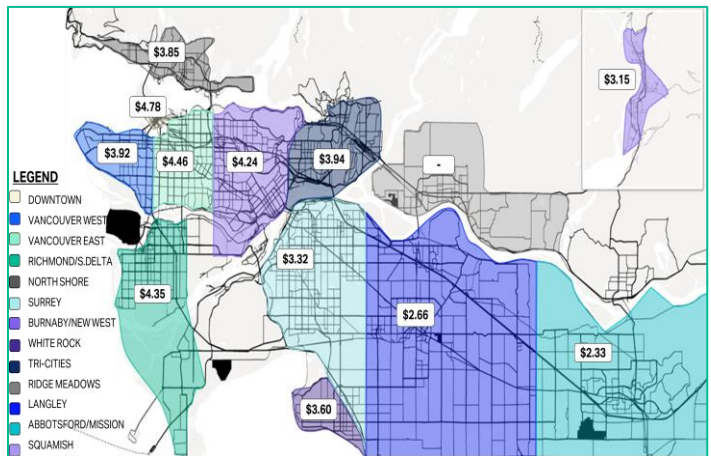
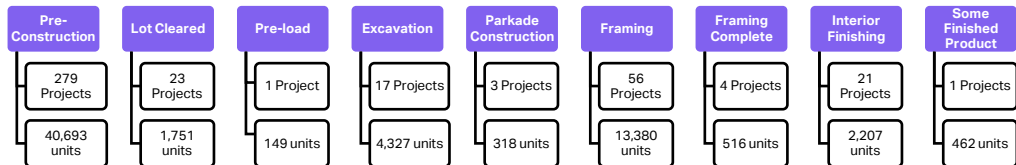
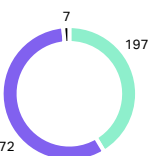


Average Vacancy by Sub-Market



Contemplated

Concrete
Wood Frame
Townhome

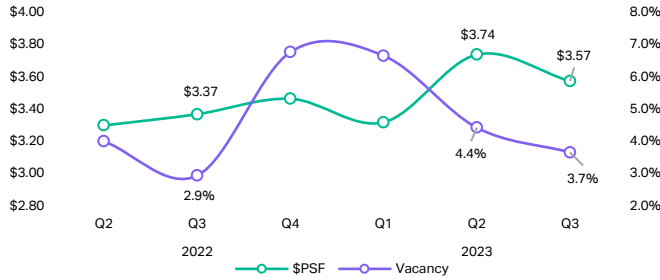


VICTORIA

Overview

Only one new purpose-built rental project launched in Victoria in the third quarter. Overall vacancy continued to decrease dropping from 4.4 percent to 3.7 percent, which, in part, was due to the lack of new product released into the market. However, there are 1,144 rental units projected to complete construction in early to mid 2024. Average rental rates decreased by 4.5 percent on a per-square-foot basis from the previous quarter.

Vacancy vs Net Rents



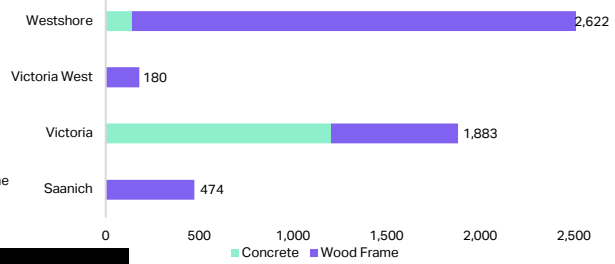
Projects



Notable Launches

Colwood Corners Phase 2
Onni Group

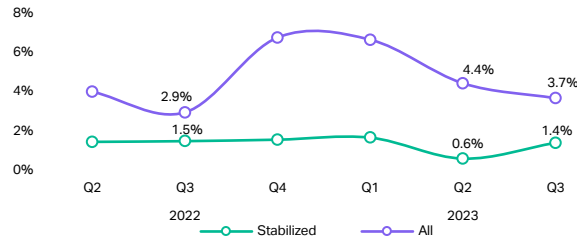
Units by Sub-market



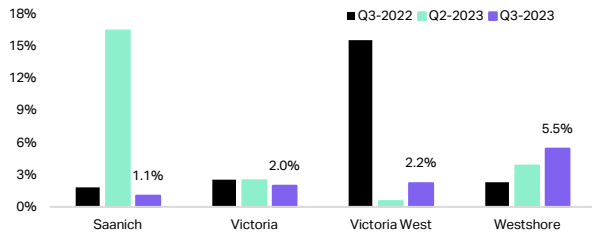
Vacancy

- Overall vacancy continues to move downwards, but at a slower pace than last quarter (0.7 percentage points compared to 2.2).
- Vacancy among stabilized projects, however, did increase to 1.4 percent due to the one project launch adding 110 new units to the market.
- Saanich experienced a large decrease back to expected vacancy numbers due to *Oslo on Fifth* stabilizing in the third quarter. Victoria and Victoria West are currently maintaining vacancy levels at two percent.
- Vacancy is expected to increase into late 2025 as more projects are introduced to the market.

Average Vacancy



Average Vacancy by Sub-Market

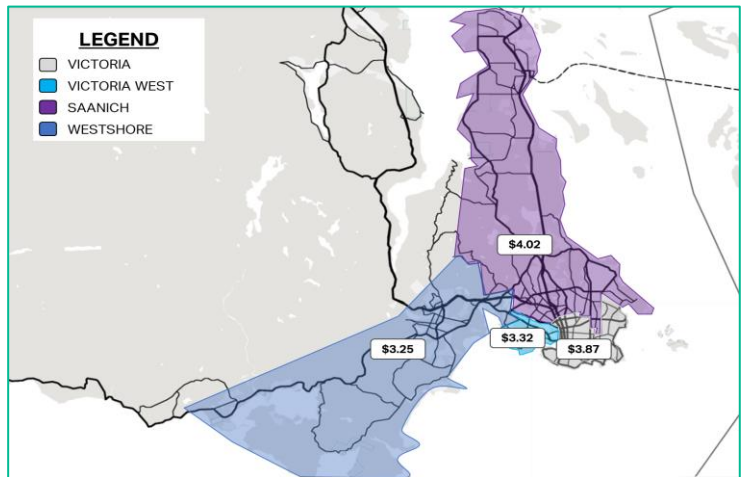


Rental Rates

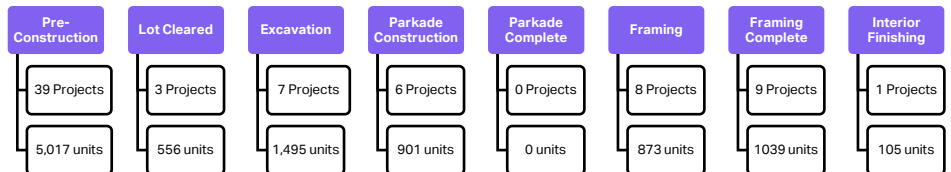
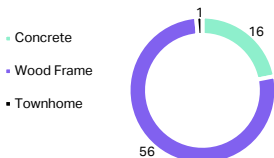
Average Rents by Unit Type

Unit Type	Active Concrete	Active Wood Frame	Stabilized Concrete	Stabilized Wood Frame
Studio	-	\$1,812	\$1,804	\$1,815
1 Bed	-	\$2,391	\$2,172	\$2,202
1 + Den	-	\$2,156	\$2,199	\$2,099
2 Bed	-	\$2,687	\$2,798	\$2,856
2 + Den	-	\$3,205	-	\$2,925
3 Bed	-	\$3,092	-	\$3,300

- Three of Victoria's four sub-markets experienced per square foot rental rate decreases in the third quarter.
- Saanich was the only sub-market to experience an increase in per square foot rental rates, up 1.5 percent from Q2-2023.
- Rental rates for stabilized wood frame projects increased across all unit types excluding studios with one and two bedrooms increasing by 7.4 and 4.6 percent, respectively.



Contemplated





NHS LIVE

KELOWNA

Overview

Zonda Urban began tracking the new (built since 2017) purpose-built rental market in Kelowna during the first quarter of 2023. Market coverage ranges from Peachland to Lake Country, and everywhere in between. Rental rates have decreased by 2.2 percentage points since Q1 2023. These prices are still relatively high when compared to other markets considering the lack of concrete projects and a limited number of projects in general. Vacancy has dropped by 3.5 percent since Q1 2023. There was one new launch in the third quarter bringing 23 new rental townhome units to the market.

2023	\$PSF	Vacancy
Q1	\$2.66	10.7%
Q2	\$2.62	8.4%
Q3	\$2.60	7.2%

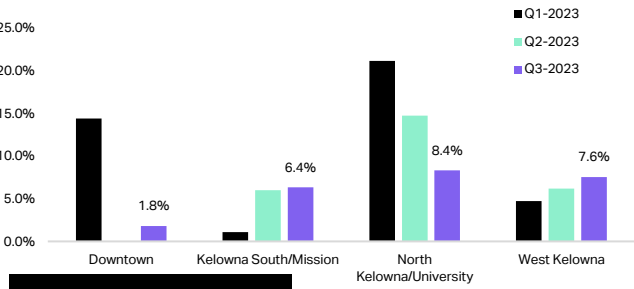
Vacancy

- Overall vacancy was 7.2 percent in the third quarter; 1.2 percent lower than the first quarter.
- Vacancy among stabilized projects increased to 2.3 percent in the third quarter.
- The Downtown sub-market recorded the lowest vacancy rate in the third quarter, at 1.8 percent.
- The North Kelowna/University sub-market was the only area that experienced a decrease in vacancy; which declined to 8.4 percent.
- The average vacancy for the other three sub-markets increased 5.7 percent quarter over quarter.

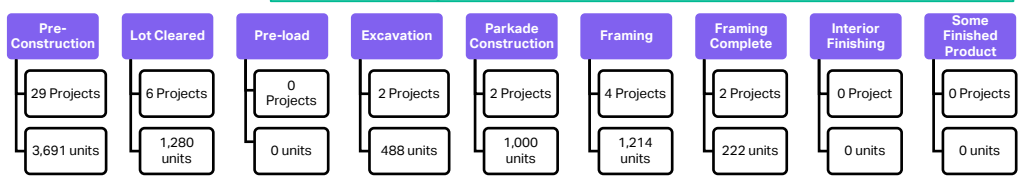
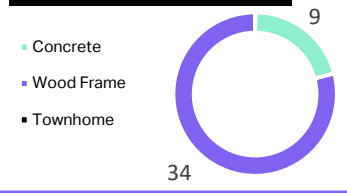
Stabilized Vacancy

Q1	1.3%
Q2	1.6%
Q3	2.3%

Vacancy by Sub-market



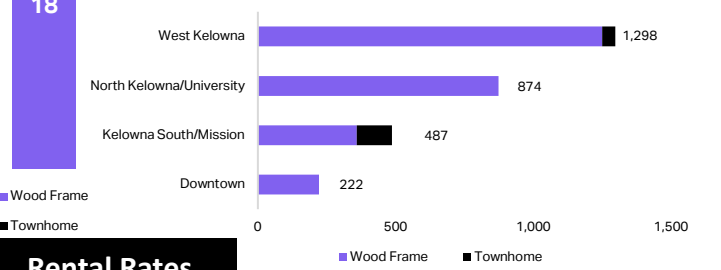
Contemplated



Projects



Units by Sub-market

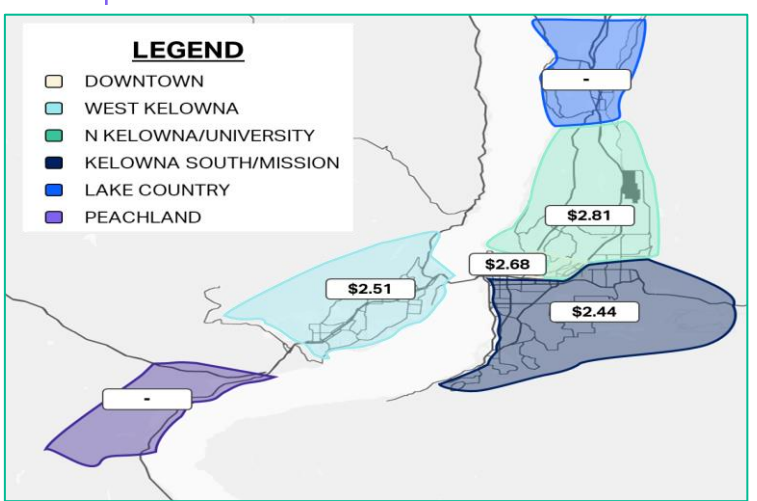


Rental Rates

Average Rents by Unit Type

Unit Type	Active Townhome	Active Wood Frame	Stabilized Townhome	Stabilized Wood Frame
Studio	-	\$1,720	-	\$1,795
1 Bed	-	\$1,927	-	\$1,689
1 + Den	-	\$2,075	-	-
2 Bed	-	\$2,176	-	\$2,071
2 + Den	\$3,010	\$2,450	-	-
3 Bed	\$3,504	\$2,687	-	-

- Available inventory in the Downtown sub-market has decreased by 8.1 percent since Q1 2023, due to the small sample size and lack of new launches in this location.
- Kelowna South/Mission and West Kelowna both experienced rental rate increases at 14.5 and 2.5 percent, respectively.
- The North Kelowna/Glenmore sub-market continues to record the highest per square foot rental rates in this market at \$2.68 per square foot, per month.

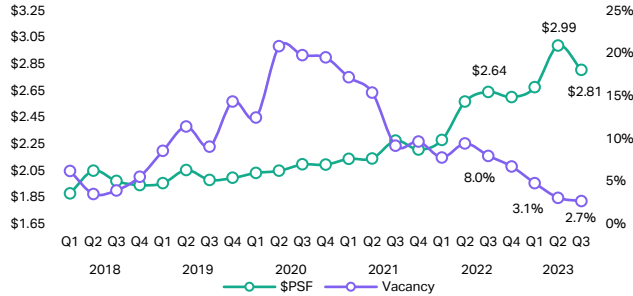


CALGARY

Overview

The new purpose-built rental market in Calgary regressed slightly after setting record-high numbers during the second quarter of 2023. Rental rates dipped slightly down to \$2.81 per square foot, a 6.1 percent decrease from last quarter's previous all-time high, but still the second-highest net rent per square foot quarter on record. Absorptions continue to outpace units added to the market for the fifth quarter in a row, further contributing to Calgary's tight rental market.

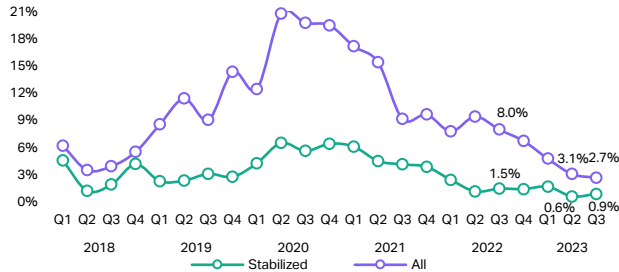
Vacancy Vs. Net Rent



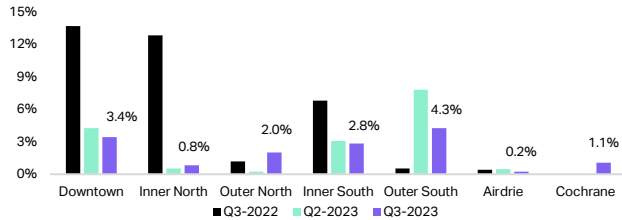
Vacancy

- Overall vacancy continues to trend downwards, reaching 2.7 percent despite the 544 new units added to the market in the third quarter.
- Stabilized vacancy increased slightly by 0.3 percentage points up to 0.9 percent.
- The Outer South continues to record the highest overall vacancy rate at 4.3 percent, this in part, is due to the continued launch of new projects such as *Glamorgan Landing Estates* and *Lakeside at Yorkville 2000*.
- Zonda Urban believes that while low overall vacancy numbers will continue, the estimated 3,000 plus units coming to market in the next quarter should result in overall vacancy rates increasing beyond the five percent mark in the near term.

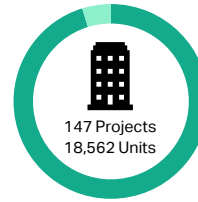
Average Vacancy



Average Vacancy by Sub-market



Projects



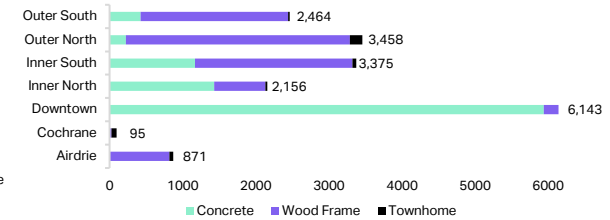
Notable Launches

Glamorgan Landing Estates
Spray Group

Lakeside at Yorkville 2000
City Vibe Dev.

Evanston Ridge 2000
City Vibe Developments

Units By Sub-Market

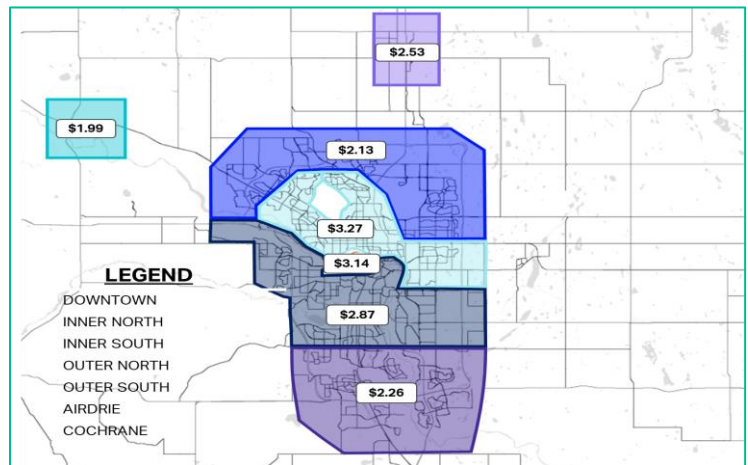


Rental Rates

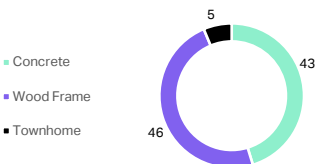
Average Rents by Unit Type

Unit Type	Active Concrete	Active Wood Frame	Stabilized Concrete	Stabilized Wood Frame
Studio	-	-	-	-
1 Bed	\$2,056	\$1,758	\$2,040	\$1,730
1 Bed + Den	\$1,786	\$1,530	\$2,704	\$1,740
2 Bed	\$2,593	\$2,195	\$2,828	\$1,989
2 Bed + Den	\$2,406	\$1,958	-	\$1,755
3 Bed	\$2,687	\$1,895	-	\$1,982

- The Inner North recorded the highest per square foot rental rates in Calgary in the third quarter, at \$3.27 per square foot.
- The Outer South experienced the largest rate decline from \$2.68 to \$2.26 psf; a 15.7 percent decrease from Q2.
- Lower availabilities in Airdrie resulted in overall per square foot rental rates increasing by 24.6 percent in the third quarter.
- Rental rates for concrete and wood frame projects averaged \$3.06 and \$2.36 per square foot per month in the third quarter, respectively.



Contemplated



Pre-Construction	Lot Cleared	Excavation	Parkade Construction	Parkade Complete	Framing	Framing Complete	Interior Finishing
50 Projects	7 Projects	11 Projects	2 Projects	0 Projects	12 Projects	12 Projects	4 Projects
14,920 units	983 units	1,570 units	525 units	0 units	1,762 units	2,562 units	700 units

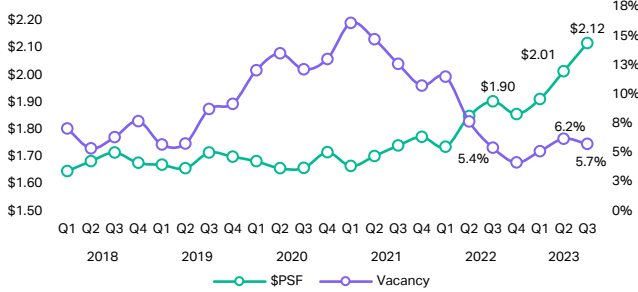


EDMONTON

Overview

Rental rates in Edmonton set a record high for the third straight quarter, increasing by over 10 cents to \$2.12 per square foot compared to the previous quarter. This represents a 5.4 percent increase from the prior quarter and an 11.5 percent increase year over year. Overall vacancy decreased from 6.2 percent to 5.7 percent with new project launches from the previous two quarters experiencing quick lease ups in Q3. Zonda Urban predicts the next few quarters to also be busy with potential launches as high as 14 projects (2,426 units) set to come to market in the next six to nine months.

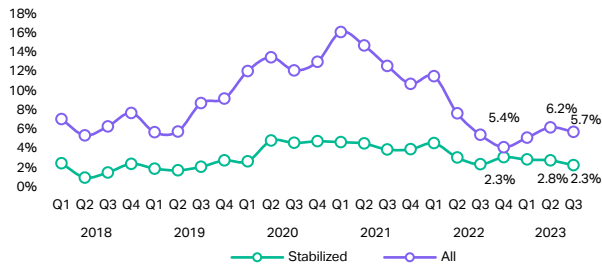
Vacancy Vs. Net Rents



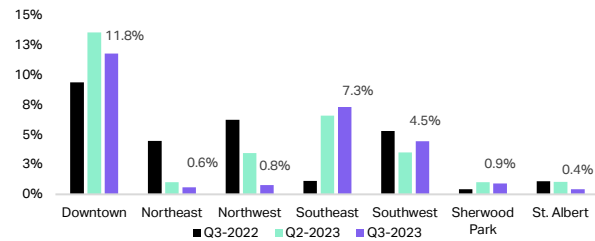
Vacancy

- Overall vacancy increased by 0.5 percentage points due to only two launches and the overall decline in available units among fully leased projects.
- Stabilized vacancy decreased 0.5 percentage points from the prior quarter and has been consistent at 2.3 percent year over year. The 2.3 percent in Q3 2022 and 2023 are the lowest stabilized vacancy rates recorded since the first quarter of 2020.
- Overall vacancy was highest in the Downtown and Southeast sub-markets for the third quarter in a row.
- With just over 2,000 new units expected to come to market by the end of the year, Zonda Urban does not expect overall vacancy to fall below five percent.

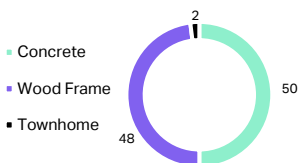
Average Vacancy



Average Vacancy by Sub-Market

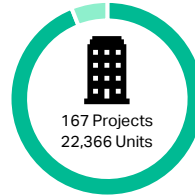


Contemplated



Pre-Construction	Lot Cleared	Excavation	Parkade Construction	Parkade Complete	Framing	Framing Complete	Interior Finishing	Some Finished Product
54 Projects	5 Projects	11 Projects	0 Projects	0 Projects	13 Projects	2 Projects	11 Projects	3 Projects
11,978 units	498 units	1,921 units	0 units	0 units	3,236 units	433 units	1,781 units	645 units

Projects

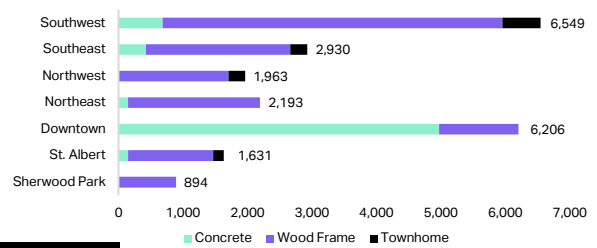


- Stabilized (157 projects)
- Actively Leasing (10 projects)

Notable Launches

- Century Gardens (ProCura)
- Maple Crest Building 3000 (Carlisle Group)

Units by Sub-market

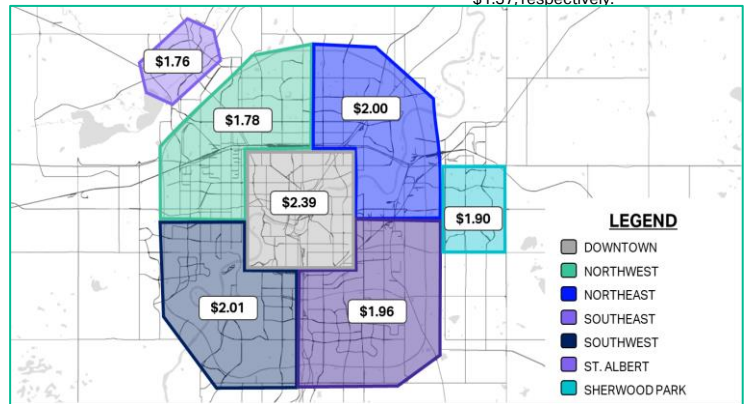


Rental Rates

Average Rents by Unit Type

Unit Type	Active Concrete	Active Wood Frame	Stabilized Concrete	Stabilized Wood Frame
Studio	-	\$1,213	\$1,423	-
1 Bed	\$1,621	\$1,341	\$1,701	\$1,413
1 Bed + Den	\$1,908	\$1,473	\$1,743	\$1,389
2 Bed	\$2,080	\$1,808	\$1,809	\$1,494
2 Bed + Den	\$2,248	\$1,801	\$2,840	\$1,615
3 Bed	\$2,628	\$2,151	\$3,757	\$1,821

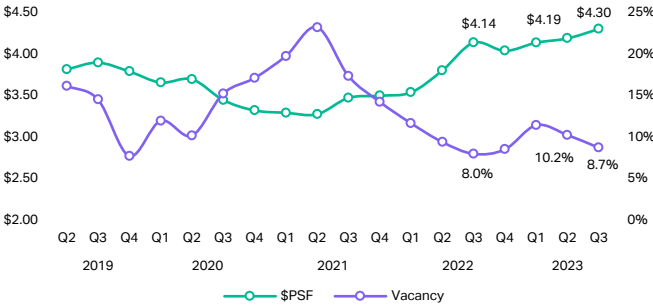
- In the third quarter, stabilized units in concrete buildings rented at a 20.3 percent premium to wood frame units, on average.
- Downtown recorded the highest rental rates by a wide margin at \$2.39 per square foot, increasing seven cents from \$2.32 per square foot last quarter.
- The Downtown, Northeast, Southwest, and Southeast sub-markets continue to experience record high rental rates in 2023, all reaching new record highs in Q3.
- Average per square foot rental rates for concrete, wood frame, and townhomes were \$2.46, \$1.91, and \$1.37, respectively.



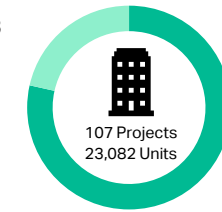
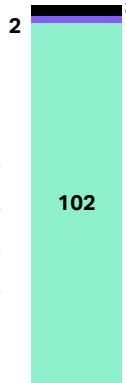
Overview

New purpose-built rental rates in the GTHA continue to climb, beating out last quarter to achieve the highest values on record since Zonda Urban began tracking the market, at \$4.30 per square foot. Vacancy dropped another 2.5 percent from the market, at the end of the third quarter. Eight new projects were launched during the quarter adding 1,539 new units. 14 projects are expected to launch within the first few quarters of 2024 adding a potential 5,396 new rental units to the GTHA.

Vacancy Vs. Net Rents



Projects



- Stabilized (84 projects)
- Actively Leasing (23 projects)

Notable Launches

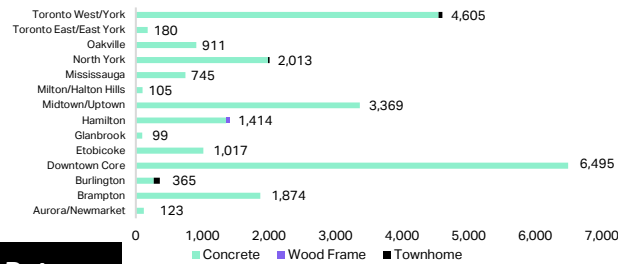
Maple House at Canary Landing
Tricon/Kilmer/Dream

20 Samuel Wood Concert

IMMIX Quadreal

Uniti Daniels/Choice

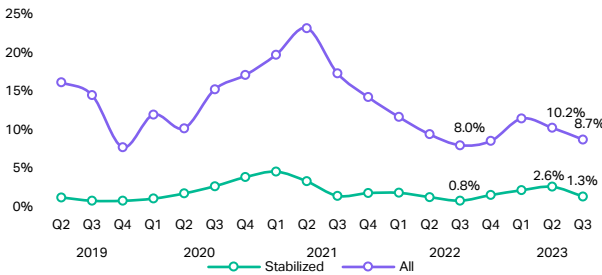
Units by Sub-market



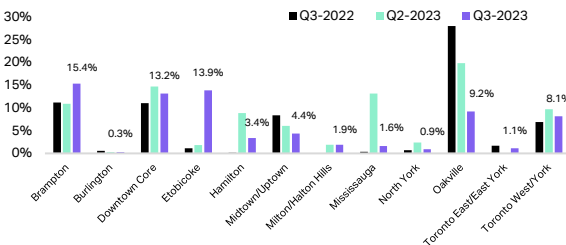
Vacancy

- Overall vacancy was up 0.7 percentage points year over year.
- Overall vacancy dropped 1.5 percent quarter over quarter despite the eight new projects that launched.
- Stabilized vacancy dropped by 1.3 percentage points to 1.3 percent. Stabilized vacancy was up 0.5 percent year over year.
- Aurora/Newmarket continue to have the highest vacancy rates among GTHA sub-markets due to *The Bakerfield* project that launched in the previous quarter which is currently 50 percent leased.

Average Vacancy



Average Vacancy by Sub-Market

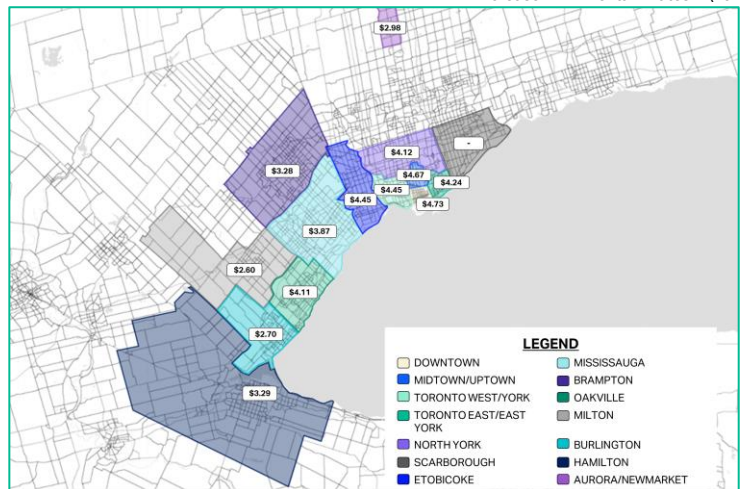


Rental Rates

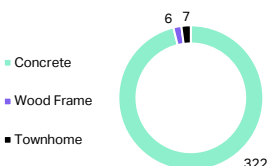
Average Rents by Unit Type

Unit Type	Active Concrete	Active Wood Frame	Stabilized Concrete	Stabilized Wood Frame
Studio	\$2,209	-	\$2,370	-
1 Bed	\$2,726	-	\$2,757	-
1 Bed + Den	\$2,647	-	\$3,563	\$3,450
2 Bed	\$3,908	-	\$3,524	\$2,300
2 Bed + Den	\$4,786	-	\$3,563	-
3 Bed	\$4,678	-	\$4,972	-

- Rental rates continue to trend upward in the GTHA with a 2.6 percent increase from last quarter and a 3.8 percent increase year over year.
- Average rental rates among stabilized projects increased for all unit types on average by 12 percent with 1 Bed + Den units increasing 24 percent.
- The Downtown Core and Midtown / Uptown remained the most expensive sub-markets in the GTHA.
- Etobicoke experienced the largest increase in rental rates (29



Contemplated



Pre-Construction	Lot Cleared	Excavation	Parkade Construction	Parkade Complete	Framing	Framing Complete	Interior Finishing	Some Finished Product
270 Projects	6 Projects	14 Projects	5 Projects	1 Project	19 Projects	2 Projects	13 Projects	1 Projects
107,990 units	3,103 units	4,982 units	2,205 units	88 units	5,370 units	571 units	4,598 units	798 units



GTHA Condo-Rental

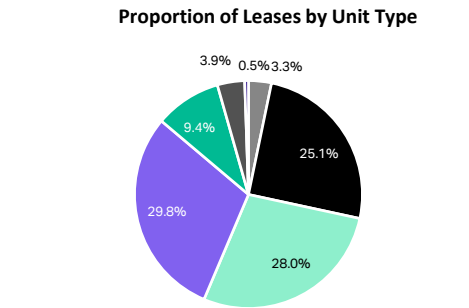
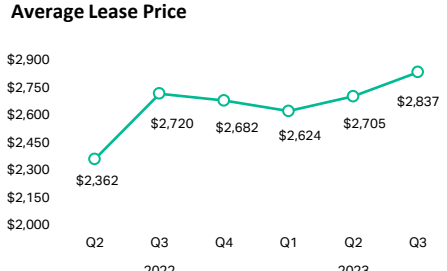
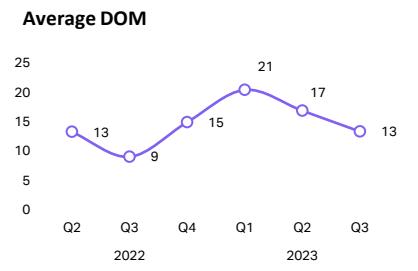
Overview

Zonda Urban has now been tracking the GTHA *new* condo rental market for six quarters. Zonda Urban **only** tracks projects which have had first occupancy since the beginning of 2020. The third quarter of 2023 continues the trend seen in Q2 of increasing condo rental demand, with the days on market decreasing notwithstanding average lease prices increasing. 19 condo projects (3,658 units) took occupancy in the third quarter. Most of the standard unit types behaved similarly in terms of both prices and days on market, as shown in the corresponding charts below. Zonda Urban expects completions to continue at a high frequency through the rest of the year which will help counteract the upward pressure on rental rates due to ever-increasing rental demand.

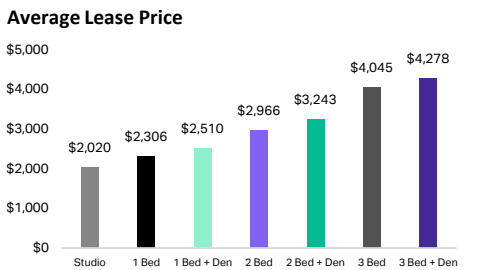
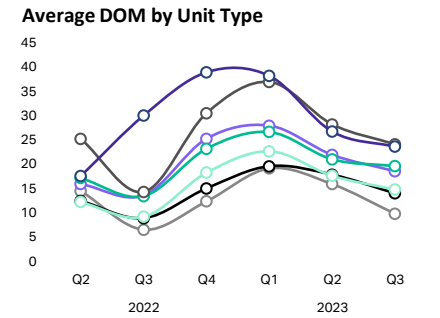
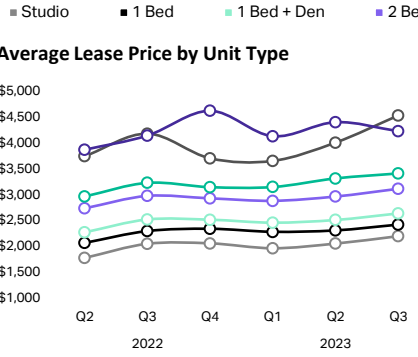
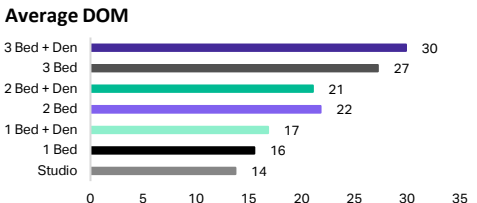
270 Projects

5,133 Listings

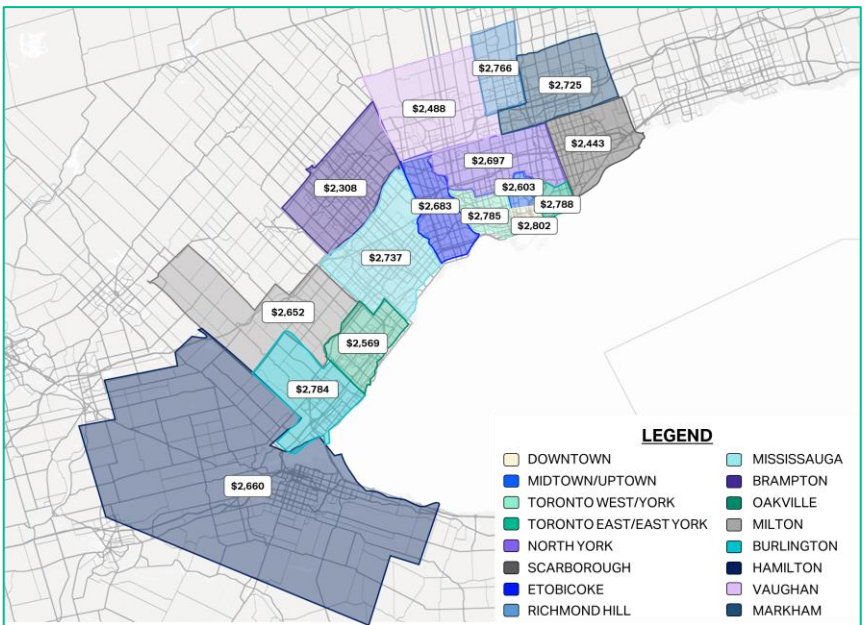
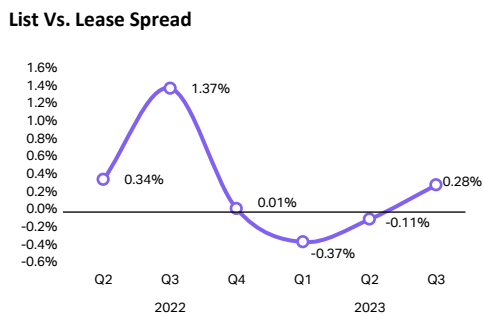
4,309 Leases



Market Stats & Trends



The average list-to-leased spread is a measure of the difference in the listed price to the price the unit ended up leasing for. The spread turned back positive for the first quarter since Q4 of 2022. This is the third straight quarter of an increasing list-to-leased spread.

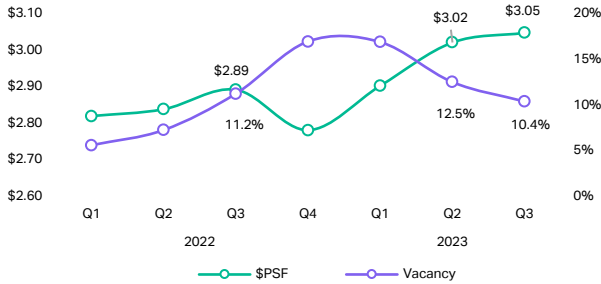


OTTAWA

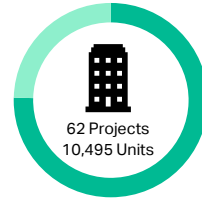
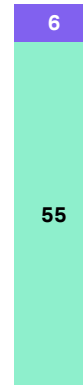
Overview

Rental rates have continued to increase since Zonda began tracking Ottawa's new purpose-built rental market. Average rental rates for the City increased another three percent to \$3.05 psf in Q3-2023. Overall vacancy for new purpose-built rental projects in Ottawa decreased due to the continued strong absorption of new project launches from the previous quarters. In total, seven projects stabilized within the third quarter. Five projects were launched during the third quarter adding 862 new units to the market. 11 projects are expected to launch by the end of Q2 2024, adding a potential 1,513 new units to the rental market.

Vacancy Vs Net Rents



Projects



Stabilized (46 projects)
Actively Leasing (15 projects)

Notable Launches

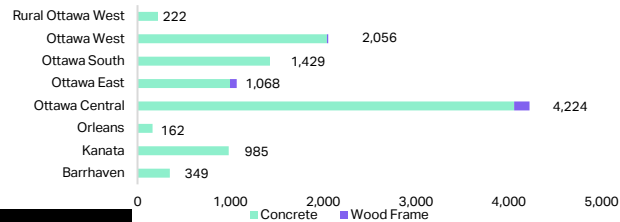
36 Robinson
Emblem Developments

SOHO
Mastercraft Starwood

The Spark
Longwood Building Corporation

The Lennox
Surface Developments

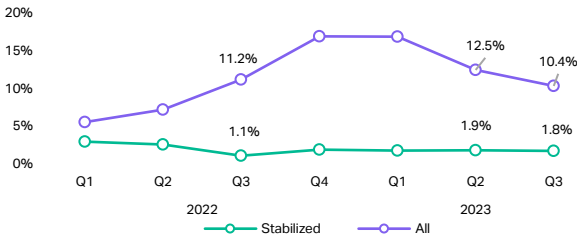
Units by Sub-Market



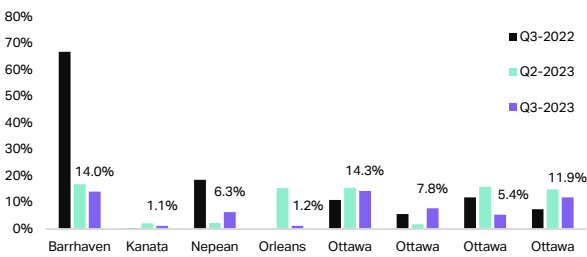
Vacancy

- Overall vacancy decreased by nearly two percent despite the addition of 862 new units to the market.
- Vacancy among stabilized projects increased by 0.7 percent year over year, down marginally by 0.1 percent on a quarter over quarter basis.
- Ottawa Central had the highest vacancy, at 14.3 percent, Kanata and Orleans had the lowest at 1.1 and 1.2 percent, respectively.
- Ottawa South's vacancy rate decreased by over 10 percent from the last quarter to an overall average of 5.3 percent.

Average Vacancy



Average Vacancy by Sub-Market

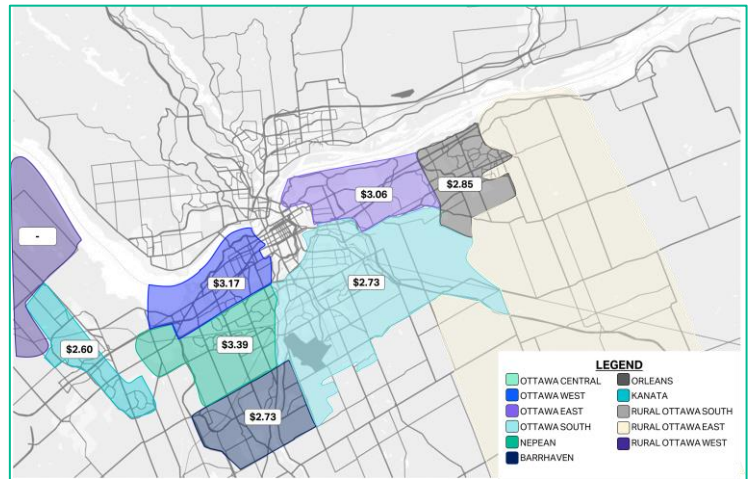


Rental Rates

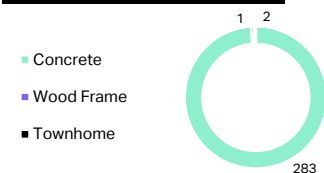
Average Rents by Unit Type

Unit Type	Active Concrete	Active Wood Frame	Stabilized Concrete	Stabilized Wood Frame
Studio	\$1,595	\$1,975	\$1,746	-
1 Bed	\$2,095	\$2,175	\$2,094	\$1,790
1 Bed + Den	\$2,250	\$2,575	\$2,186	-
2 Bed	\$2,654	\$3,100	\$2,697	\$2,396
2 Bed + Den	\$3,198	\$3,400	\$3,125	-
3 Bed	-	\$3,500	\$3,353	-

- Rental rates in Ottawa increased by one percent from last quarter and five percent year over year.
- Nepean was the most expensive sub-market on a per square foot basis in the third quarter.
- Ottawa South experienced the largest rent increase; up three percent from Q2 2023.
- The Orleans sub-market experienced the biggest decrease in rental rates from Q2; decreasing 14.6 percent to \$2.85 psf.



Contemplated

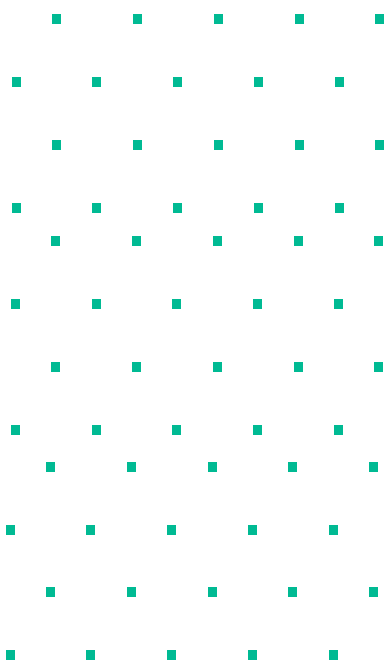


Coming Soon

Nanaimo



Winnipeg



Zonda Urban has the most current and accurate data on the newer purpose-built rental apartment markets in all of Canada's largest urban areas. NHSLive, Zonda Urban's online data platform, provides timely data on the new rental apartment and for-sale multi-family home sectors of the market. With its user-friendly interface and extensive functionality, it has become an invaluable tool for thousands of industry stakeholders to make better decisions. Call or email sales@zondaurban.com today to schedule a demonstration of NHSLive.

With the anticipated increased competition in the new purpose-built rental apartment sector and the ongoing uncertainty in the new condominium and townhome sectors of the market, it is crucial to ensure your project is appropriately designed and positioned. Zonda Urban provides comprehensive advisory services to meet your firm's specific needs in all markets across Canada. Call or email advisory@zondaurban.com today to ask how we can help.

We appreciate your feedback. Please contact us at nhsrental@zondaurban.com with any questions regarding this Zonda Urban Report or any of our other periodic publications.

