



MANY HOMEOWNERS ALSO HOUSE RENTALS

**Renting a suite in a house: 103,780
Metro households do just that, says
Canada Mortgage and Housing Corp.**

Many Lower Mainland homebuyers aren't buying a home simply as a principal residence: they are investing in the property as a partial or full time rental property. And, with the right purchase, it can be a smart investment for both the short and long term.

The rental vacancy rate across B.C. is now 2.7 per cent, according to Canada Mortgage and Housing, but it falls to a very tight 1.8 per cent in Metro Vancouver, with some neighbourhoods even lower.

Since very little new rental buildings are being constructed, the demand for rentals is largely being met by privately-owned houses, townhouses and condominiums. These units not only deliver rental units, but they also act as a mortgage helper for the homeowner.

According to the most recent CMHC survey, taken in the fall of last year, there are now 103,780 secondary

rental units in single-family houses, townhouses and row houses. As well, there are 48,528 condominiums in the Lower Mainland that are now being rented out, representing nearly 26 per cent of all condominiums. In central areas of Vancouver, rental condos now account for about 44 per cent of all condos, according to the survey.

Rental market conditions in British Columbia are influenced by a number of factors - growth in jobs, migration patterns, the relative cost of homeownership compared to renting, and changes in supply, including additions to the secondary rental market" noted Carol Frketic,

CMHC's BC Regional Economist.

Renting out a secondary suite or condo can be profitable. A survey by Altus Group show that the average two-bedroom condo in Metro Vancouver rents for \$1,662 per month, and that the average rent for a two-bedroom

suite in a detached house is \$1,321. The typical three-bedroom suite in a detached house rents for \$1,624 per month. CMHC confirms that the vacancy rate for secondary suites is about the same as for the general rental market, but the vacancy rate for rental condos in Metro Vancouver is lower, at 1 per cent.

At today's interest rates, \$1,600 per month would cover the monthly mortgage costs on a \$300,000 mortgage.

As Frketic notes, current conditions, with about 40,000 immigrants arriving in the Lower Mainland annually, a low unemployment rate of around 6.2 per cent, and the high house prices that keep young people from buying a home, all help to fuel demand for rental accommodation.

Talk to your local Realtor. He or she can direct you to residential properties that either contain rental suites, or to condominiums in areas with high rental demand.