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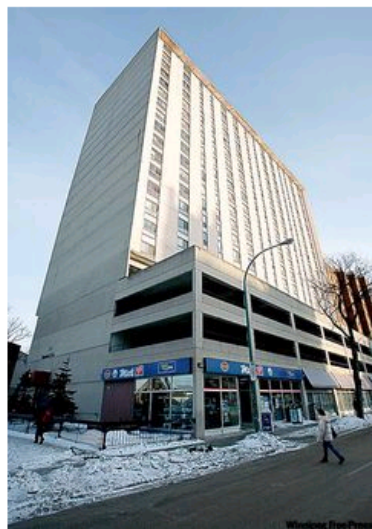
Winnipeg Free Press - PRINT EDITION

Realtors call for action on vacancy

Record low availability hurting renters, driving up house prices

By: **Murray McNeill**
Posted: **01/6/2011 1:00 AM** | [Comments: 3](#)

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John Woods / Winnipeg Free Press
Apartment blocks such as 360 Cumberland Ave. have essentially no vacancies. (WINNIPEG FREE PRESS)

Winnipeg's record-low apartment vacancy rate isn't just putting the squeeze on renters, its also hurting home-buyers by driving up house prices, according to the association that represents local Realtors.

WinnipegREALTORS says the acute shortage of apartments - Canada Mortgage and Housing Corp. recently pegged Winnipeg's overall vacancy rate at an all-time low of 0.8 per cent -- is forcing some renters to buy a home. That has led to increased competition and bidding wars, particularly for properties in the \$150,000 to \$250,00 price range, it says.

To draw attention to the problem, the association will be issuing a discussion paper later this month that looks at the circumstances that led to what it terms the rental market crisis, and raises possible solutions.

Mel Boisvert, chair of the WR task force that prepared the report, declined to say Wednesday what recommendations the association will be making.

But it has said that options worth considering are "softer" rent control guidelines, portable housing allowances for lower-income renters, and increased government subsidies and/or tax breaks for apartment developers.

Boisvert said all concerned parties -- landlords, tenant groups, Realtors, homebuilders, property managers, and city and provincial government officials -- need to be involved in finding a solution.

He also disputed the popular belief that the conversion of apartments to condominiums is one the main causes of the apartment shortage. He said it's just one of several factors, the most notable being the provincial rent control program.

The president of the Professional Property Managers Association went a step further, saying rent controls are the primary cause of the shortage.

Wally Ruban, with property developer/manager B & M Land Co./Gem Equities Ltd., said decades of rent controls have kept rents in existing suites artificially low and discouraged new development. He said that's because the rents developers have to charge to recoup their construction costs are hundreds of dollars a month higher than prevailing rates. And they're afraid tenants will refuse to pay the higher rents, leaving their newly built units sitting vacant.

He said one downtown high-rise apartment block his firm owns and manages -- Cumberland House at 360 Cumberland Ave. -- has essentially no vacancies. But several other downtown blocks that were extensively renovated, and now charge higher rents, are having trouble finding tenants.

"The lower end of the market is where nothing is available. In the intermediate you will experience some vacancies, but most of the vacancies are in the higher-

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He said that's where an expanded housing allowance program could help by bridging the gap between rents for existing units and rents for new or renovated ones.

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POSTED BY: **23672722**
JANUARY 6, 2011 AT 3:27 PM

Come on Dean If you don't have it you can't pay it, or I guess you could go without eating.

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POSTED BY: **whatthawhat**
JANUARY 6, 2011 AT 3:15 PM

This bogus argument that rent regulations are to blame is full of holes. Take a look at what's happening in other cities where there are no rent regulations. There is a lack of rental housing across the country. Getting rid of rent regulations might make life easier for members of the property managers association, but it will do nothing to increase the supply and it certainly won't help renters.

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POSTED BY: **Dean K**
JANUARY 6, 2011 AT 9:25 AM

"afraid tenants will refuse to pay higher rents"

Bull. If the demand is so high, people will pay what is needed.

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Posted by: **LWoodie**
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