

Real estate rental and leasing and property management industries, 2018

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In 2018, residential and non-residential real estate lessors and real estate property managers generated \$115.0 billion in operating revenue, up 5.3% from 2017. This sector benefitted from a more rapid increase in the [population](#) in 2018 (+1.4%) and industrial sector growth fuelled by e-commerce demand for logistics centres. Low office vacancy rates in Vancouver and Toronto also contributed to growth in the sector.

These industries reported operating expenses of \$75.8 billion, an increase of 6.0% over the previous year. The operating profit margin decreased from 34.5% in 2017 to 34.1% in 2018.

Lessors of non-residential buildings

The largest of the three industries, lessors of non-residential buildings, saw operating revenue increase 5.4% to \$61.0 billion in 2018. Operating expenses rose 6.9% to \$39.2 billion.

British Columbia experienced the highest growth of the provinces for a second consecutive year, with operating revenue increasing 7.3% from 2017 to 2018. British Columbia had the strongest [economic growth](#) among the provinces, up 4.0%.

Alberta recorded a more moderate 2.1% increase in operating revenue in 2018. One of the factors underlying the modest growth in Alberta was the challenging conditions in the energy sector which limited demand for non-residential real estate. Although the office vacancy rate in Calgary fell for the first time since 2014—from 25.7% in 2017 to 24.3% in 2018—it remained at a historically high level. The [unemployment rate](#) in Calgary was 7.7% in 2018, compared with 5.0% in 2014.

Ontario had the largest share of rental income at 42.4%, followed by Quebec (18.9%), British Columbia (15.7%) and Alberta (14.5%).

Lessors of residential buildings and dwellings

In 2018, lessors of residential buildings and dwellings reported a 5.2% increase in operating revenue to \$46.6 billion.

Operating expenses for the industry rose 4.8% to \$30.7 billion.

From 2017 to 2018, Nova Scotia's operating revenue grew 7.2%. Factors contributing to this growth included the effect of rental increases—with average rents up 2.1% in 2018—and the decline in the vacancy rate from 2.6% in 2017 to a historical low of 2.0% in 2018. Other provinces experiencing notable growth included Ontario and Prince Edward Island, which were fuelled by strong net international [migration](#).

Ontario had the largest share of residential rental income at 37.5%, followed by Quebec (25.9%), British Columbia (15.7%) and Alberta (11.5%).

Real estate property managers

In 2018, the real estate property management industry generated \$7.4 billion in operating revenue, up 5.3% from 2017. This industry also reported operating expenses of \$5.9 billion, up 5.8% from the previous year.



Note to readers

Data for 2016 and 2017 have been revised.

Data on office vacancy rates in Calgary were obtained from CBRE Group's Canada Real Estate Market Outlook 2019.

Data on apartment rents and vacancy rates in Nova Scotia were obtained from the Canada Mortgage and Housing Corporation's Rental Market Report, Nova Scotia Highlights for 2018.

Available tables: table [21-10-0221-01](#).

Definitions, data sources and methods: survey number [4705](#).

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; STATCAN.infostats-infostats.STATCAN@canada.ca) or Media Relations (613-951-4636; STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca).