

Real estate rental and leasing and property management industries, 2020

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Rental, leasing and property management industries lose momentum in 2020 due to the pandemic

In March 2020, a series of unprecedented government measures related to the COVID-19 pandemic were put in place at a national level. Residential and non-residential real estate lessors and real estate property managers were not spared.

In 2020, the operating revenues of these industries rose 1.0% from 2019 to \$120.5 billion, ending seven years of sustained average growth of over 5.0% per year. Despite the pandemic and a sharp decline in international immigration and the number of students in need of housing, [this sector continued to benefit from modest population increases in 2020](#) (+1.2%) and from growth in the industrial sector, fuelled by e-commerce demand for logistics centres.

In addition, although workers deserted city centres and office buildings, most tenants—usually bound by long-term leases—opted to sublet to reduce costs. However, that was not enough to offset the weakness observed in the commercial sector. The largest repercussions were observed in Toronto. Nevertheless, the rollout of various assistance programs—including the Canada Emergency Commercial Rent Assistance, which covered 75% of rent for eligible businesses—helped to mitigate the difficulties experienced by the non-residential sector.

Residential and non-residential real estate lessors and real estate property managers reported operating expenses of \$78.3 billion in 2020, up 0.7% compared with 2019. The operating profit margin was virtually unchanged in 2020 (35.0%) compared with 2019 (34.9%).

Lessors of residential buildings and dwellings

In 2020, the operating revenue of lessors of residential buildings and dwellings rose 2.9% to \$49.9 billion.

Additionally, operating expenses for this industry increased 1.4% to \$31.9 billion.

Among the provinces, Nova Scotia posted the highest growth in operating revenues in 2020 (+5.2%), driven by many factors, including [an increase in net interprovincial migration](#). Many other provinces also posted significant growth of 4.0% or more, while Ontario (+1.6%), Newfoundland and Labrador (+0.8%) and Alberta (+0.3%) posted the lowest growth in operating revenues in 2020. Vacancy rates in those provinces were among the highest in the country.

Lessors of non-residential buildings

In 2020, the operating revenues of lessors of non-residential buildings declined 0.6% to \$62.7 billion, while operating expenses remained stable at \$40.2 billion.

At the provincial level, Manitoba (+1.7%), Saskatchewan (+2.3%) and British Columbia (+1.9%) maintained positive growth in 2020. British Columbia benefitted from the attractiveness of the Vancouver census metropolitan area (CMA), primarily for the limited office rental market and for the industrial sector, where the vacancy rate continued to remain historically low, edging down from 2.4% in 2019 to 2.3% in 2020.

Real estate property managers

The real estate property management industry generated \$7.8 billion in operating revenues in 2020, up 2.0% from 2019. This industry also reported operating expenses of \$6.1 billion, an increase of 1.0% from the previous year.



Trends in 2021

The trends observed in 2021 were mixed and showed that lessors of non-residential buildings benefitted from the ever-increasing demand from the industrial sector. However, vacancy rates in office spaces across the country remain much higher than in 2019. Canadian apartment rental indicators suggested that the market was at a standstill in 2021, in part due to higher vacancy rates in the Montréal, Toronto and Winnipeg CMAs.

Note to readers

Data for 2019 have been revised.

Data on office vacancy rates were taken from the Coldwell Banker Richard Ellis Group's Canada Real Estate Market Outlook 2021.

Data on rents and vacancy rates in Ontario, Newfoundland and Labrador and Alberta were taken from the Canada Mortgage and Housing Corporation's Canada – Rental Market Statistics Summary by Provinces for 2020.

Data are collected for the 12-month fiscal period that ends from April 1, 2020, to March 31, 2021. For some businesses, this means reporting mostly on pre-pandemic operations. As a result, the effects of the pandemic are not fully reflected in the estimates for this reference year and will extend to the estimates for the 2021 reference year.

These and other data related to business and consumer services can be found at the [Business and consumer services and culture statistics](#) portal.

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

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

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