Calgary Herald – August 11, 2023

Calgary rents increasing faster than anywhere else in Canada, report says

Calgary still remains relatively affordable compared to most Canadian cities with the 26th-highest monthly rent average in the country

Josh Aldrich || Aug 11, 2023

Ad For Rent sign is shown in front of a downtown Calgary apartment building on Aug. 11. PHOTO BY JIM WELLS /Postmedia

Local advocates are calling for rent controls, with new data showing rent in Calgary is growing faster than in any other major city in Canada.

Rentals.ca released its July report on Friday, showing the average monthly rent for a one-bedroom apartment up 17.2 per cent to $1,718, and up 16.9 per cent to $2,121 for a two-bedroom apartment, year-over-year. The data showed rent in Calgary increased nearly two per cent between June and July.

While some advocates have warned about rent caps leading to a spike in reno-evictions, Keegan Calwell, an ACORN Eco-tenant Union member, said policy can be created to prevent unintended consequences.

"It is a solution in the short term, at least one solution that can be done among other things," said the University of Calgary student, adding rent controls did not slow development in B.C. or Ontario. "Landlords behaving poorly isn't a reason to stop landlords from behaving poorly in other ways."

Calwell, who rents in Kensington, was informed his rent for a two-bedroom apartment was going to jump $400 a month. He and his roommate started looking and found they wouldn't save any money by moving.

It's a common story for renters, especially in a city with a vacancy of 2.7 per cent, which is lower than the national three per cent average, according to CMHC.

"It puts a lot of financial stress on an already tight budget," Calwell said. "It just really adds to my stress and I hear that from everyone that I talk to. It pretty quickly comes up in small talk. It's inevitable . . . Everyone's feeling it. Everyone's feeling frustrated."

Edmonton remains one of most affordable cities to rent

The data is for new rents, measuring recently vacated units with a new rent, not homes that are currently occupied or up for renewal, said Giacomo Ladas, director of communications for Rentals.ca.

Calgary ranked 26th out of 35 cities for the highest monthly average, but the gap is closing.

Vancouver maintained the top spot in the country with rent at $3,340, a 12.2 per cent jump over the past 12 months, while Toronto was up 11.5 per cent to $2,849. Average monthly rent in Canada was $2,078, the first time it has topped the $2,000 mark.

Edmonton continued to be one of the most affordable cities in which to rent, ranking 31st on the list with a one-bedroom unit averaging $1,197, and 30th at $1,531 for a two-bedroom.

Ladas said he does not expect rent in Calgary to hit Toronto and Vancouver levels, but said a big reason it's increasing at this rate is due to folks moving to Calgary in search of cheaper living arrangements. Calgary experienced record immigration last year and the flow has not stopped.

The price increase is just the symptom — this is not the underlying issue," he said. "It's a symptom of just intense population growth with inflation being as high as it is, and then we don't have enough new housing being built. It's created such a burden on the housing market."

Ladas said he expects increases in rent to continue until more purpose-built rentals are created and supply begins to meet demand.

He pointed to a trend, especially among students and young adults, in favouring two-bedroom units so they can get roommates and share the expense, which is putting pressure on the cohort of renters.

"It's a lot more affordable right now for people to get roommates and split a two-bedroom apartment," said Ladas.