

CTV News – August 29, 2023

## Canada's landlords now asking a record-breaking average of \$2,078 per month: rental report

Hayatullah Amanat || Aug. 29, 2023



In its “August 2023 Rent Report”, Rentals.ca highlights that average asking rents in Canada have surged by a staggering 21 per cent, translating to an additional expense of \$354 per month for Canadians in July when compared to July 2021, just two years prior. (THE CANADIAN PRESS/Graham Hughes)

The Canadian rental market has reached a new record, with the average asking rent surging to \$2,078 in July.

This marks an 8.9 per cent annual increase, the most rapid growth seen in three months, according to a **new report from Rentals.ca**. This coincides with a 1.8 per cent rise in average asking rents in Canada from June, representing the most substantial month-over-month growth observed in the past eight months.

In its August 2023 rent report, Rentals.ca highlights that average asking rents in Canada have surged by a staggering 21 per cent, translating to an additional expense of \$354 per month for Canadians in July when compared to July 2021, just two years prior.

According to Rentals.ca, several factors contributed to the recent surge in rental prices. These include post-secondary students rushing to secure leases before the fall term, a notable increase in the population, and a slowdown in home-buying activities, largely attributed to the Bank of Canada's decision to raise interest rates.

Data shows that in July, the average asking rents for purpose-built and condominium apartments broke the \$2,000 threshold for the first time, settling at \$2,008. This marked an 11.3 per cent year-over-year and two per cent month-over-month increase in rental rates for both types of accommodations.

When it comes to one-bedroom apartments, they experienced the most notable rental growth in July, with a robust 13 per cent annual increase and a 2.5 per cent monthly uptick.

One-bedroom rentals averaged at \$1,850, in contrast to \$2,191 for two-bedroom units and \$2,413 for three-bedroom units. The most affordable option, studios, had an average rent of \$1,445.

Analyzing the data regionally, Alberta continued to lead the provinces in annual rent growth for purpose-built and condominium apartments for the third consecutive month in July. The average asking rents in Alberta saw a year-over-year increase of 15.6 per cent, reaching \$1,578. However, annual rent growth in Alberta did ease slightly from its previous pace of 18.3 per cent in June.

The report shows that Quebec maintained its position as the second-highest province for annual rent growth in the country for the second consecutive month, with an increase of 13.7 per cent. This growth rate accelerated from the 11.6 per cent recorded in June, and in July, average asking rents in Quebec reached \$1,920.

When it comes to Ontario, in July, the province saw its annual rent growth for purpose-built and condominium apartments at 9 per cent, a slight moderation from the 9.3 per cent annual pace observed in June, placing it slightly behind the national average.

The average asking rent in Ontario was the second highest in Canada at \$2,432, with British Columbia leading the nation with an average asking rent of \$2,622 in July.

Rentals reports found that British Columbia recorded the most rapid month-over-month increase in rents at 2.8 per cent in July while Manitoba experienced a 3.2 per cent month-over-month decline in rents, and Saskatchewan also saw a slight monthly decline of 0.7 per cent in rents.

## **CALGARY LEADS CANADA'S MAJOR MARKET RENT GROWTH**

With no surprise that Calgary continued to lead in terms of the fastest rent growth among Canada's largest markets. Average asking rents for purpose-built and condominium apartments in Calgary increased by 16.1 per cent annually, reaching \$2,036.

However annual rent growth in Calgary did ease slightly from its previous pace of 18.4 per cent in June.

Meanwhile, annual rent growth in Montreal accelerated from 11.2 per cent in June to 15.3 per cent in July, reaching an average of \$1,987.

However, the other major markets in Canada experienced a slower rate of annual rent growth in July compared to June. Toronto, for instance, dropped from the second spot to the fifth spot, with average asking rents increasing by 11.5 per cent in July (compared to 15.7 per cent in June), reaching \$2,849.

Vancouver remained the city with the highest rents among Canada's major markets, with an average of \$3,340, reflecting a 12.2 per cent annual increase and a 2.9 per cent monthly increase.

## **GREATER MONTREAL JOINS TOP FIVE IN CANADA'S RENT GROWTH**

According to the Rentals report, Greater Montreal stood out with two of the top five fastest-rising mid-sized rental markets, including Laval (+28.5 per cent to \$2,011) and Cote Saint-Luc (+23 per cent to \$2,306).

In British Columbia, the cities of Richmond and New Westminster led the way with the fastest annual growth rates for purpose-built and condominium rents at 27 per cent and 20.7 per cent, respectively.

Meanwhile, in the Greater Toronto area, markets in Brampton and Scarborough continued to dominate rent growth in Ontario. Average asking rents for purpose-built and condominium apartments surged by 18.6 per cent and 18.2 per cent, respectively.

When it comes to the top five mid-sized markets with the highest average asking rents nationwide, the report highlights that four of them were in B.C., including North Vancouver, where average rents reached \$3,556, Richmond with \$3,119, Burnaby at \$3,002, and Coquitlam with average rents at \$2,811.

Securing the third spot, Oakville, Ont. recorded average asking rents for purpose-built and condominiums at \$3,114, achieving the fastest annual growth rate in the country at an impressive 32.1 per cent in July.

The remaining top 10 mid-sized markets for the highest rents were all found in Ontario, further underscoring the province's strong rental market, including Mississauga at

\$2,640, Kanata at \$2,632, Brampton at \$2,623, Burlington at \$2,612, and North York at \$2,604.

According to the report, the average roommate rents in several Canadian provinces, including Quebec, B.C., Alberta, and Ontario, have increased by an average of 16.1 per cent over the past year, reaching \$971.

Quebec had the highest annual growth at 23.8 per cent (\$901). B.C. had an average rent of \$1,163 (+20.4 per cent), Alberta was at \$810 (+14.4 per cent), and Ontario surpassed \$1,000 for the first time with \$1,009 (+7.1 per cent). Vancouver and Toronto had the highest average roommate rents at \$1,455 and \$1,296, respectively.