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Average rent went up another 11% in past year — and even getting a roommate doesn't help much

Among Canada's big cities, rent is going up at fastest pace in Calgary



Pete Evans | | October 14, 2023



Booming demand is pushing up prices for rental units, a new report says. (Ben Nelms/CBC)

Canada's rental crisis is getting worse, according to a new report that found the average asking price for rent in September was \$2,149 — up by more than 11 per cent compared with a year ago.

That's according to a data analysis of tens of thousands of new rental listings across the country from Rentals.ca and real estate consulting and research firm Urbanation.

And according to the September report, average rents aren't just headed up — they're increasing at their fastest pace this year.

While the general national trend is pricier rents, the situation is playing out differently in individual markets.

Toronto remains one of the most expensive in the country, with the average cost of a one-bedroom property now at \$2,614 a month. But the pace of rent hikes in the Ontario city has slowed considerably in recent months and was down by 0.2 per cent from August's level. Compared with one year ago, Toronto rents are up by 4.9 per cent.

One reason for the deceleration in Toronto is that more people are choosing to live with a roommate to cut costs, said Rentals.ca communications director Giacomo Ladas.

Across Canada, Rentals.ca clocked a 27-per-cent increase in shared accommodation listings over last year, including a whopping 78 per cent spike of such listings in Ontario.

"The average roommate now in Toronto is paying over \$1,300 a month," he said in an interview. "Instead of people looking for these premium, purpose-built rentals to move in, they're actually moving to more roommate accommodations, which are typically a little bit more affordable."

Only barely, however. The average national asking price for a shared accommodation unit is \$944 per month, an 18 per cent increase from a year ago.

It's even worse on the other side of the country in Vancouver, where a one-bedroom costs just shy of \$3,000 monthly on average, while a two-bedroom is almost \$4,000 a month. Both figures are up by 10 per cent over last year.

Toronto and Vancouver continue to lead the way in the average cost to rent, but other major Canadian cities are gaining fast.

The average asking price for a one-bedroom in Calgary is \$1,730 and \$2,181 for a two-bedroom. Both have risen by more than 13 per cent in the past year.

Supply and demand

Calgary shows the fastest pace of gain among cities of more than a million people. That trend is leaving people like Lindsay Tollefson in the lurch.

She rents a two bedroom apartment in the city for herself and her child. In just over a year, she'll have seen her rent increase twice. In January, it went from \$1,200 to \$1,500 a month and she's been informed that in February it will jump again to \$2,100.

That 75 per cent increase over 13 months isn't something that her income can keep pace with.

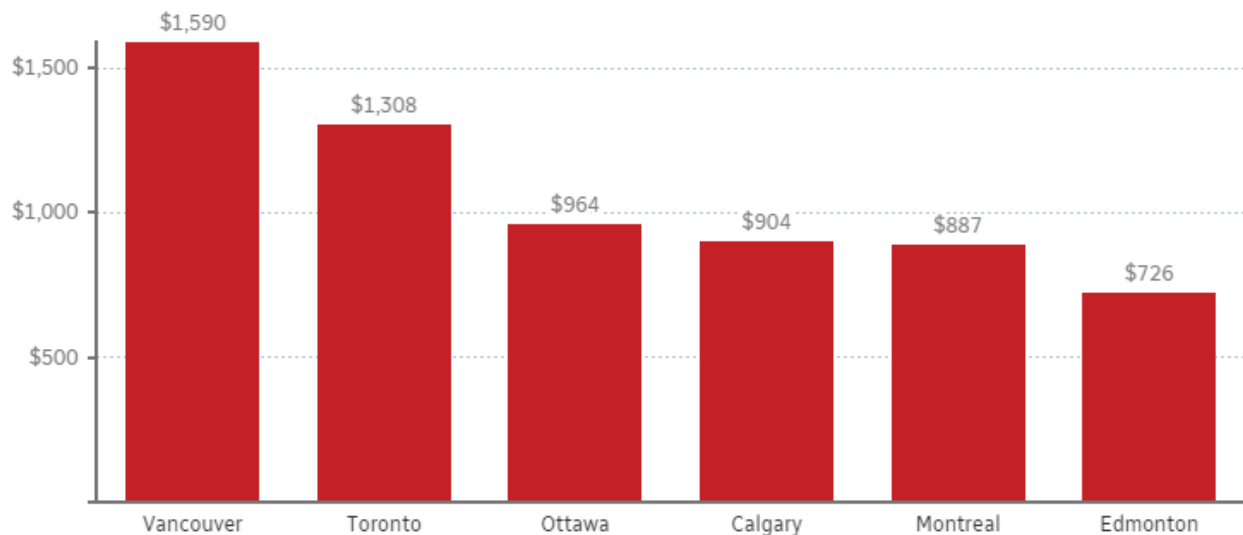
She's thought about finding a new place to live, but said the expense and hassle of moving would eat up whatever savings might be had.

"I'm looking at basement suites that are in not the most desirable neighbourhoods of Calgary ... safety concerns, that kind of stuff, that I'm looking at [and thinking] 'oh man, is this what I'm going to have to be basically downgrading to?'"

For tenants, Calgary has become a victim of its own success. The Alberta economy is faring better than the rest of Canada, which is drawing tens of thousands of people to the province every month for work and its comparative affordability.

In the process, that surge of demand has pushed up prices, Ladas says.

Average asking rents for roommate rentals in September 2023



Source: Urbanation Inc., Rentals.ca (CBC)

"The question I get asked all time is how are people affording rent in Toronto, in Richmond Hill and Vancouver? And the answer is they're actually not ... people are going to places like Calgary," he said.

Ironically, the influx of people looking for cheaper accommodations in Calgary has caused the price of those accommodation to increase. As Ladas puts it: "There's less supply and then the rents in Calgary go up as well."

The lack of supply is a major factor elsewhere, too, including in Nova Scotia, where the average asking price for a new apartment hit \$2,088 last month, up 15 per cent in the past year. That's the third-highest provincial average in Canada, behind British Columbia and Ontario.

While Nova Scotia's economy is nowhere near as booming as Alberta's, it's still subject to the same forces of supply and demand. Ladas said people from the rest of the country move there for the comparative affordability, only to drive up prices in the process.

Ladas said Nova Scotia has tried to bring in regulations for short-term rentals like AirBnbs in order to alleviate the crush of demand — but it can only do so much.

"The housing crisis right now is so bad that [people are] going to ... Nova Scotia just as much as they're going to Alberta in search of housing," he said. "People can't afford \$4,000 a month for a two-bedroom in Toronto or Burnaby, B.C., so they're going to move all the way across the country.

"It's looking grim."