

Calgary Herald – January 18, 2024

## Calgary rent rose 'astronomically' over the past two years, and there's no end in sight

*A recent report by Rentals.ca shows rent in Calgary has risen 22 per cent over the past two years as more Canadians flock to Alberta*

Matt Scace || January 18, 2024



While the rental market has cooled in most provinces, that's not the case in Alberta, according to a survey by rentals.ca. The Canadian Press file photo

While Canada's rental market cooled last year, it was a different story in Calgary where rent costs continued to climb amid record migration and a worsening housing crunch.

Calgary posted some of the largest year-over-year rent increases in the national rent rankings, according to the latest report from rentals.ca and Urbanation. And as long as British Columbians and Ontarians continue flocking to Alberta, more above-average rent increases are on the horizon for the city in 2024, the report says.

“(Calgary) is getting hit pretty hard compared to the rest of the country,” said Giacomo Ladas, communications manager for Rentals.ca.

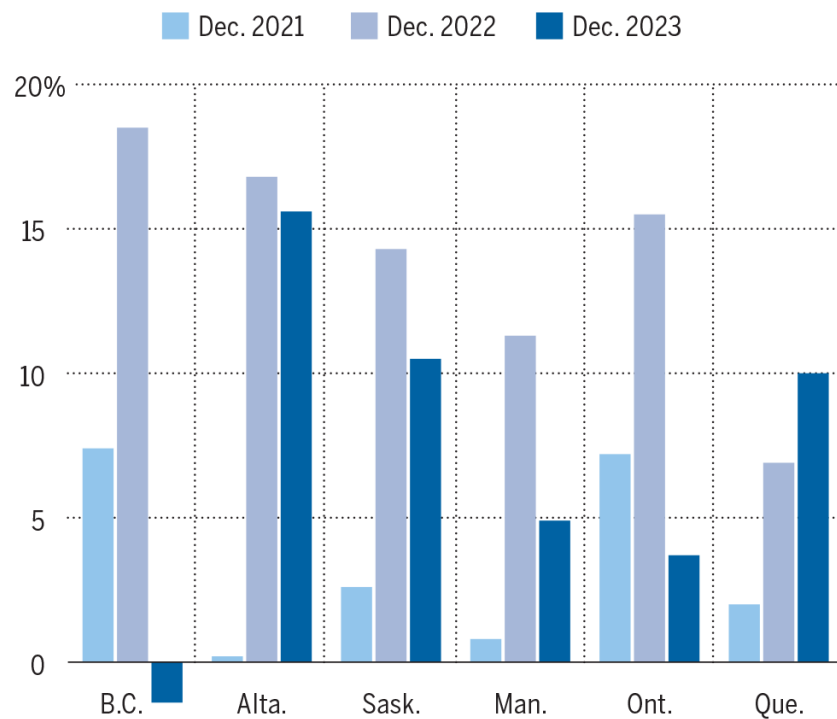
The latest national rent rankings place Calgary as the 22nd most expensive city in Canada to rent, with the average one-bedroom unit going for \$1,708 and two-bedrooms going for \$2,084.

It represents a 14 per cent year-over-year price increase among one-bedroom apartments. Going back one more year, rent in Calgary has increased 22 per cent since 2022. Ladas called the increase “astronomical.”

Provincewide, rent for Alberta apartments grew 15.6 per cent in 2023, hot off the heels of a 16.8 increase in 2022. Rents rose by just 0.2 per cent in Alberta in 2021.

### ***RENT INCREASES ACROSS CANADA***

Annual change in average asking rents for purpose-built and condo apartments.



SOURCE: RENTALS.CA

DARREN FRANCEY / POSTMEDIA

But Calgary remains relatively affordable compared to other major Canadian cities. In Vancouver, the average for a one-bedroom is \$2,700, and \$2,521 in Toronto.

Calgary’s market is often linked to trends in B.C. and Ontario, where runaway prices have driven renters to Alberta, Ladas said. Alberta has experienced record interprovincial migration over the

past year, with 17,000 people moving from other parts of the country between July and September of 2023.

That's amounted to a 4.3 per cent population increase over 12 months, according to the latest Statistics Canada data.

"So much of what happens to Alberta and Calgary depends on what happens in Ontario and B.C.," Ladas said.

Purpose-built rental units will remain undersupplied for 2024, Ladas added, but the province is better positioned than Ontario and B.C. to more quickly build units to fill this gap.

Trepidation among prospective homebuyers is also putting stress on the rental market, Ladas said, as many wait for interest rates to drop — which some economists expect will happen in mid- to late-2024. In the meantime, he said, buyers are staying in the rental market.

The news of potential rent increases come amid several reports showing Albertans are being pickier with their spending habits.

A recent TD Bank survey found 44 per cent of Albertans are planning to cut spending this year by up to \$500 per month, and 83 per cent are planning to make fewer retail purchases — the highest in Canada. Emily Ross, vice-president of TD Everyday Advice Journey, said paying down debt, mortgage payments and rent — along with saving for the future — are consumers' biggest financial priorities.

Several Calgary small businesses have also said holiday spending levels were lower than expected, a strong indicator of restricted consumer spending.

Meanwhile, a recent Leger survey said few Albertans are optimistic about their day-to-day finances — though not at statistically higher levels than the year before. Overall, just 30 per cent of Albertans have future confidence in their personal finances — a number that sat at 23 per cent at this time last year.

Housing affordability is the second-most important issue to Albertans, it said, with 40 per cent saying it's among their top three leading issues.

In response to Alberta's housing crunch, the Alberta NDP has introduced a bill proposing rent caps, vacancy control and reporting requirements for building new affordable housing units.

The governing UCP has expressed clear opposition to any form of rent control, saying it increases the risk of homelessness while implying landlords may find legal loopholes to evict tenants.

"Rent control does not work. Instead, our government offers the rental supplement program which supports low-income Alberta households," Heather Barlow, press secretary for the Ministry of Seniors, Community and Social Services, told Postmedia in December.