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Rents in Alberta growing faster than any other province in Canada

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A For Rent sign is shown in front of a rental property in Calgary. Jim Wells//Postmedia

Rent prices are continuing to rise faster in Alberta than in any other province, even as the rate eases in Calgary.

Calgary's rental rates in February slowed to an annual increase of 9.7 per cent for a one-bedroom apartment, a drop from double digits in the past few months, according to a report by rentals.ca and Urbanation.

The latest update pushes Calgary down to the 26th spot among the most expensive cities in which to rent — at \$1,711 for a one-bedroom unit.

Rents in Edmonton ballooned by almost 20 per cent to \$1,312 for a one-bedroom, leading the rise in Alberta and Canada. Prices in many cities across the country, including Toronto and Vancouver, have fallen since last year.

Overall, rents in Alberta grew by 20 per cent, the highest in the country.

The news comes as the pool of affordable options is drying up owing to low vacancy rates and a flow of 17,000 migrants between July and September of 2023, making Alberta the fastest-growing province in the country.

“We’re seeing tens of thousands of people leave Ontario and B.C. to go to areas like Alberta,” said Giacomo Ladas, communications manager for rentals.ca.

As a result, shared rentals are also becoming more expensive, rising annually by 12 per cent in Alberta to an average of \$873, the report found. The figure was approximately \$800 in Edmonton and \$900 in Calgary.

Despite large increases in rent prices, the two Alberta cities still retain their lure of affordability when compared to other major centres such as Vancouver and Toronto, where renting a one-bedroom costs an average \$2,653 and \$2,495 a month respectively.

Ladas said many people are still choosing Alberta as their preferred destination, although cheaper rents in Edmonton are also tempting Albertans to move away from centres such as Calgary.

High interest rates adding to rental market demands

But migration is just one of the drivers of rising rent costs. Higher interest rates have also discouraged prospective buyers from home ownership, adding to demand in the rental market.

Ladas previously told Postmedia that the market was expected to cool as interest rates fall, presumably in late 2024 as many economists predict, owing to lower inflation.

Higher demand was matched by more purpose-built rental apartments, which increased annually by 14.4 per cent in Canada.

But planning experts argue simply increasing supply won’t solve the affordability issue. The market also has to add non-market housing, which will compete with for-profit dwellings and bring rent prices lower.

However, decades of underfunding have slashed the share of non-market units in Calgary to approximately 3.5 per cent, according to Bryon Miller, a professor of urban studies at the University of Calgary.

NDP introduces bill calling for rent control, affordable housing

Some have tried to advocate for rent and vacancy control until more non-market housing fills the supply in Alberta, the largest province without rental increase protections.

The Alberta NDP recently introduced legislation — Bill 205 — which calls for a cap on annual rent increases and the creation of affordable housing. The bill was debated in the legislature on Monday.

In addition to rent and vacancy control, the legislation would mandate the minister responsible for housing to release minimum targets for the construction of affordable and social housing units each fiscal year — including single-family residences, multi-unit apartment buildings and social housing for different groups, such as seniors — which would then be published in the province’s annual report.

The UCP has made clear their opposition to the bill, saying it increases the risk of homelessness while implying landlords may find legal loopholes to evict tenants.

“We are focused on increasing the supply of housing in our province and I am proud that we are seeing record amounts of purpose-built rentals in Calgary and Edmonton,” Minister of Seniors, Community and Social Services Jason Nixon said in legislature Monday.

“Shutting people out of the rental market and discouraging new construction is not the path forward.”

“My office has been flooded with stories of Albertans being priced out of their homes and being forced to make choices between food, utilities, rent payments and other basic needs,” Alberta NDP housing critic Janis Irwin, who introduced the bill, said in a statement issued Monday.

“I sincerely hope the UCP reverses their position and supports this legislation as a tool to make this province more affordable, because skyrocketing rents are hurting Albertans.”