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B.C. rents softening, as West Coast renters flee for Alberta: Report

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Stephanie Ip || March 22, 2024



Affordability instead of location appears to be a bigger priority for B.C. renters, according to a new report, suggesting more West Coasters are leaving the province and paving the way for the B.C. rental bubble to pop. PHOTO BY FRANCIS GEORGIAN /PNG

Affordability instead of location appears to be a bigger priority for B.C. renters, according to a new report, suggesting more West Coasters are leaving the province and paving the way for the B.C. rental bubble to pop.

A recent rentals.ca survey asked 600 respondents from across B.C., Alberta and Ontario to share their experiences in the rental market and found that for most B.C. renters (57 per cent), price was a bigger priority than location, hence the mass migration east.

“It’s been interesting what’s happening because (rents in) areas like Vancouver and Toronto have been going down for five months now, year over year and even month over month,” said spokesman Giacomo Ladas with rentals.ca, citing historical rental listing data. “However, areas like Alberta — specifically Calgary and Edmonton — have been leading all of Canada for rent increases.”

The national average rent has seen an increase of 10 per cent, but in Edmonton, that figure is 17 per cent. Ladas said that points to supply and demand forces at play, a competitive market where landlords feel comfortable increasing their price and desperate renters are willing to pay.

According to a Statistics Canada report, Alberta recorded a massive jump in interprovincial migration last year, with 45,194 people moving to the province in the first three quarters of 2023, compared with 22,278 during the same period in 2022. In the third quarter of 2023, the highest influx of new Albertans was led by Ontario (6,262), followed by B.C. (5,269).

“The good thing about Alberta is that they are probably better equipped to handle this, as in that they are much faster at getting permits for housing,” said Ladas. “They’re also doing a lot better job in office-to-residential conversions, so they have a lot of empty offices spaces from COVID that they’re transforming to apartments. The province is just better suited to get new builds started.”

Whereas B.C., particularly the densely populated South Coast, is land-locked, with no room to go but up.

Despite what appears to be a softening of B.C. rental prices, the rental house hunt continues to be challenging, with 65 per cent of B.C. respondents saying it has been very difficult to find places to rent.

Satisfaction with the quality of rental properties on offer is also lowest in Ontario (19 per cent), followed by B.C. (20 per cent), and Alberta (21 per cent). Of those who responded to the survey, 26 per cent were first-time renters.

Nearly 30 per cent of B.C. renters have been searching for a new home for at least two months, with just under 12 per cent of those having been on the house hunt for more than six months.

Meanwhile, 11 per cent of B.C. renters have moved within the last few months, 31 per cent within the last year, 21 per cent within the last two to three years, and 12 per cent within the last five to 10 years. Just 17 per cent have been in the same rental property for more than 10 years.

Ladas noted there appears to be an emerging trend of long-term tenants in rent-controlled markets choosing to stay where they are, even if their current rental situation isn’t ideal.

“What’s happening right now is that because of this increase in rent that we’re seeing, people are starting to really feel trapped in the current rental that they’re living in right now,” he said.

“It’s comforting for people to know that the cost of housing is going to be relatively affordable from what it is the year before, however, markets where there is rental control — the increase in rents go up much faster than areas that do not.”

Ladas notes that when landlords are limited by annual rent increases, the rental income being collected may not keep pace with inflation and the cost of maintaining the property, leading to larger increases in rent in between tenancies.