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CALGARY — Buddy, can you spare a room?

Rents are soaring in the red-hot economy of Calgary, where a place to live is getting harder to find and some tenants will see their payments triple in the coming months. "We've heard some pretty dramatic rent increases: rents going from \$650 a month to \$2,000 a month," said Eoin Kenny with Alberta Government Services, which has received some 60 complaints about the hikes.

But any tenants hoping for the provincial government to regulate the exploding market are out of luck.

"There is no legislation in place and there are no plans to bring in rent controls in Alberta," said Kenny. "Our experience with rent controls in the 1970s gave us an indication that rent controls can do as much harm as good in the long run."

Alberta doesn't regulate rent other than to restrict increases to two in a 12-month period. That hasn't been an issue in recent years in boomtown Calgary, where low housing prices and interest rates forced some landlords to offer deals simply to retain tenants.

"A year ago we couldn't give these units away; all the landlords were suffering," said Bob Dhillon of Mainstreet Equity, who sent out increase notices July 1 to about half of the tenants in his 1,200 Calgary apartments. As of Oct. 1, most will see their rents jump about \$250 a month.

"We're still lower than the market," said Dhillon. "Some of our peers have increased their rent substantially. We've done a survey and a lot of landlords are raising (rent) significantly higher."

Calgary's rent explosion follows months of skyrocketing housing prices. The average price of a single-family home in June was \$408,000 — a jump of 51 per cent in the last year. A vacancy rate that has shrunk to 1.5 per cent is allowing landlords to pass on costs they may have been swallowing, said Gerry Baxter of the Calgary Apartment Association, which represents landlords.

Utility and insurance costs have come close to doubling since 2001, while property taxes in Alberta's largest city have jumped 17 per cent.

"We who own homes have lived through those increases over the last five years," said Baxter. "For the most part tenants were sheltered from that. Landlords had to absorb most of those costs, and now they're in the position with the market shifting that they can start to recover some of those losses."

Dhillon says his other tenants will see comparable increases when their leases come due. Although he has received 16 complaints in the last couple of days, he has also had 20 people call to say they're interested if clients are prepared to move. Waiting lists are growing for his most popular buildings.

The increasing costs of accommodation will make it harder to cope with the desperate shortage of workers caused by the province's economic boom.

It is quickly eroding the so-called Alberta Advantage, but one economist says that may not be a bad thing.

"It's putting a natural braking mechanism on Alberta's runaway growth," said Todd Hirsch, chief economist for the Canada West Foundation.

Roads, schools and hospitals haven't been able to keep pace with the province's rapid expansion and the housing woes may be the only way to reduce some of those pressures.

"Our real estate market is now comparable to Vancouver and Toronto's, and we don't see those cities collapsing under the weight of it," said Hirsch. "Definitely there are people who cannot move to Toronto or Vancouver because of the housing costs, and we're going to see that in Calgary too."

Kenny agrees.

"People may just stop going to Calgary if the cost of living goes to the point where it appears to be headed," he said. "If you can't afford the rents in Calgary, maybe that's

going to be a boon for surrounding communities, other cities in Alberta or perhaps even other cities in the country."