

# Residential rents rising in Cochrane as demand outpaces supply

"If someone can afford \$3,500 a month, why are they renting?"

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*Rental rates in Cochrane are on the rise as supply fails to keep up with demand. | Howard May*

Rapidly rising rents are compounding the cost-of-living squeeze in communities across Canada, and they've become a major obstacle for at least one family in Cochrane.

Three months ago, Cecilia Hicks and her family were told the home they'd been renting in the Sunset Ridge neighbourhood had been sold. The legally mandated 90-day notice ending their tenancy was served and they began looking for a new home.

Hicks, her husband and three children ages 12, 14, and 16 have lived in Cochrane since 2015. Hicks' husband owns and runs a hardwood flooring company, which gives them \$8,000 per month in income.

But when they started looking for a new house, they were shocked at current rental rates and even more stunned at the lack of supply and fierce competition.

The family had been renting a large detached house with three bedrooms and double-car garage for \$2,350 per month.

"Now we would be lucky to get a duplex for that price. We have two dogs which makes everything more expensive and if we were in competition with someone without pets, we would inevitably lose to them," Hicks said in an email.

Without a new house to call home, the family is living in their RV until they can find a new place.

To make things worse, the RV's catalytic converter was stolen while parked at Big Hill Springs Provincial Park, so money meant for a security deposit on a new rental went toward replacing it instead.

"I don't know if we can stay in Cochrane – we might have to move to Airdrie or Calgary, which is a shame because our kids have friends here and we have family here," she said.

According to Canada Mortgage and Housing Corp., there are just 212 purpose-built rental units in Cochrane. The number of family-sized units hasn't budged in six years, while average rents have 12 per cent.

It's a different story when secondary rentals are added into the mix.

The average rent for all Canadian properties listed on Rentals.ca, which includes detached, semi-detached, townhouse, condominium apartments as well as purpose-built rental

apartments – was \$1,888 per month for May, a year-over-year increase of 10.5 per cent as rents return to pre-pandemic highs.

Calgary, the closest city to Cochrane in the Rentals.ca report, reported an average rent of \$1,661 a month, up 21 per cent over a year ago and the highest in Alberta. That works out to an average of \$2.22 a square foot.

Nationally, according to Rentals.ca, “demand for larger units was a noticeable trend during the pandemic, with more people needing to work from home, and parents needing more space for children at home full time.”

This trend has not dissipated in the post-vaccine and return-to-work era, Rentals.ca reported. It adds that uncertainty in the housing market and rising interest rates will likely continue to put upward pressure on rental rates into the fall.

The Hicks’ initial search in Cochrane revealed an ultra-competitive market, where price gouging was clearly putting rentals out of reach.

“I never, ever expected us to experience something like homelessness, that’s insane,” Hicks said in an interview. “We have a decent income, we’re responsible people, we pay our bills, but there’s just nothing available. If someone can afford \$3,500 a month, why are they renting?”

She said some landlords are asking whatever they want, as there is limited supply.

“One was asking \$3,900 for a townhouse. I mean, ‘Have you lost your mind?’”

Unlike other provinces, there is no cap on rent increases in Alberta. British Columbia, Manitoba, Ontario, and Prince Edward Island all have some form of rent control.

Whereas escalating rental rates in major cities are being attributed to such factors as rising Bank of Canada interest rates (and how they affect mortgage rates), immigration, lumber shortages, supply chain issues, inflation and other issues, a local rental agent argues the situation in Cochrane is more straightforward.

Rob Low of Rent My Home Property Management argues the cause of the rise in rental rates in Cochrane is simply supply and demand.

“This is definitely the busiest it’s been as far as demand, and we definitely have more demand than we have supply,” he said.

Rent My Home manages over 100 residential properties in Cochrane, according to Low. This year has been the busiest for them in the five years under current ownership.

Low said ‘newish’ townhouses are renting at a minimum of around \$2,000 per month but are more likely in the \$2,300 range, depending on amenities like parking and garage size. As recently as a year ago, those same properties would have been going for as little as \$1,500, he says.

“Apartments haven’t gone up as much as houses have because Cochrane has so many apartment buildings, especially those ones up in Sunset Ridge, so that has kept the prices down a little bit,” Low said.

Rental rates for detached houses have gone up even more, as there are so few available.

“Cochrane predominantly attracts families with children and pets who want a three-bedroom, two-car garage, with a basement and a yard and they’re hard to come by,” Low said. “You can’t get those for under \$2,500 per month, whereas a year ago you could find them for about \$2,000.”

Hicks predicts that people are going to be forced into lying on applications and then squatting in the property without paying the rent, holding on as long as they can.

Despite the experience with price-gouging and supply challenges, Hicks is moderately hopeful the situation will eventually become remedied.

“It looks like the rental prices are starting to behave themselves a little bit, but it was really insane for a little while,” she said. “But it’s gotten to the point where I don’t get excited anymore.”