

## LITTLE HOUSING, BIG RENT ON THE PRAIRIE

Prairie municipalities have seen some of the fastest population growth in Canada in the past 10 years. Despite similar patterns of high growth in major cities, the burden of housing costs has diverged.

Canada has experienced [rapid population growth](#) over the past decade. This is particularly true on the Prairies where large urban centres have grown [1.3 to 1.5 times the national rate](#). Despite sharing high rates of population growth and, therefore, significant increases in housing demand, urban centres in the prairie provinces have exhibited noticeably different patterns with respect to rental costs.

A useful measure of rental costs is to compare the amount paid to available income. The more income that goes to rent, the less that is available for other necessities, including food or transportation. In this graph, we show how the ratio of rent to income has changed since 2014 in four prairie cities. We compare the median rent paid for a two-bedroom apartment in each city to the median income in each. The data is presented as an index, with the rent-to-income ratio in 2014 set at 100. Values above 100 indicate a higher percentage of income is going to rent in subsequent years. Values below 100 indicate the burden of rent is lower than in 2014.

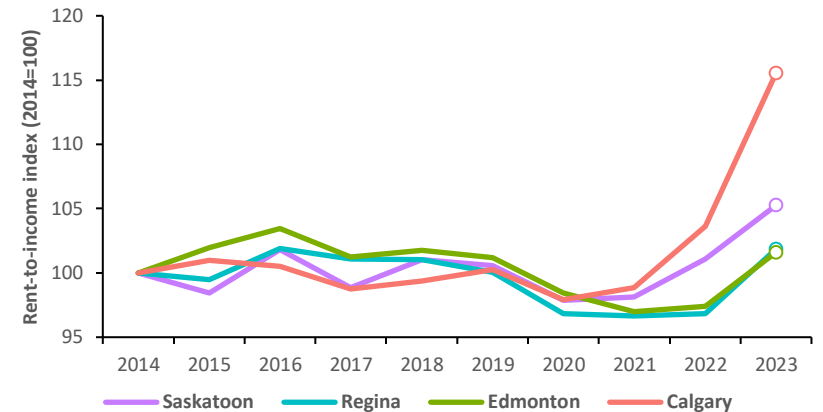
**Municipalities have policy tools to address high demand for housing. Those that expand housing supply mitigate the costs of high demand.**

The lines show that between 2014 and 2021, the burden of rent fell in Calgary, Edmonton, Saskatoon and Regina. Beginning in 2021, the burden of rent diverges, increasing far faster in Calgary than elsewhere. By 2023, it was 16 per cent higher than in 2014. In Saskatoon, it was five per cent higher while Regina and Edmonton, increased by two per cent.

Multiple factors contribute to differences in the growth of rent burdens. Higher population growth is one explanation as it increases demand for housing. However, similar population growth between Calgary and Edmonton suggests an alternative explanation on the other side of the housing market: differences in supply.

Rent-to-income ratio since 2014

Source: calculated from Statcan Tables 34-10-0133-01 and 11-10-0047-01



Between 2015 and 2024, Edmonton's construction industry added [214,000 housing units](#) to the city's inventory, averaging 15 new homes per [1,000 residents](#) each year. In Calgary, 131,000 units were added, or nine units per 1,000 residents annually. Saskatoon averaged 12 new units per 1,000 residents, while Regina averaged six.

The variations reflect different policies governing housing supply in these cities. Beginning in 2014, Edmonton undertook [a series of actions](#) to permit denser housing construction in established neighbourhoods. Regina began [adopting](#) similar policies in 2019. Saskatoon took some of these steps and established a land bank that acquires land to provide a steady source of greenfield housing. Calgary would benefit from studying similar actions.

Recent research suggests housing markets with [responsive supply](#), whether [greenfield](#) or [infill](#), can absorb [high demand](#) with smaller [price increases](#). Residents with low incomes are [particular beneficiaries](#) of flexible supply changes. While federal and provincial governments influence demand through interprovincial and international immigration policy, municipal policy continues to represent a significant contribution to the supply and price of housing.