

2023

# RENTAL WAGES

In New Brunswick



**HUMAN  
DEVELOPMENT  
COUNCIL**

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# INTRODUCTION

A rental wage refers to the minimum hourly wage required for individuals to afford adequate housing without spending more than 30% of their income on rent. Traditional methods of measuring housing affordability focus primarily on the percentage of income allocated to housing.[1] However, rental wage calculations present housing costs in relation to actual hourly wages, offering a clearer perspective on income inadequacy. This method helps emphasize the gap between wages and the cost of housing, especially for marginalized populations. As housing affordability becomes a pressing issue in New Brunswick, the rental wage is a tool in understanding income inadequacies.

Statistics Canada defines affordable housing as spending no more than 30% of one's income on rent.[2]

For instance, a household with an annual income of \$33,333 should ideally spend no more than \$10,000 on housing. The challenge with this approach is that it does not reveal whether wages, especially minimum wages, are sufficient to meet housing costs. The rental wage bridges this gap by calculating how much individuals would need to earn per hour to meet housing expenses within their community.

In 2023, New Brunswick's rental wage was calculated at \$17.96 for a one-bedroom apartment and \$22.50 for a two-bedroom (Figure 1). Despite recent increases to the minimum wage, which stood at \$14.75 in 2023, it remains insufficient to afford either a one or two-bedroom apartment.

# METHODOLOGY

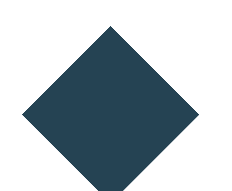
This report's methodology is derived from the Canadian Centre for Policy Alternatives' rental wage calculation model.[3] Rental wages are calculated in two key steps:

- **Determining Required Annual Income:** The average rent for a community is used to calculate the annual before-tax income needed for rent to account for only 30% of the income.
- **Converting Annual Income to Hourly Wage:** The total before-tax income is then divided by 2,080 (the assumed number of hours worked annually based on a 40-hour work week and 52 weeks of the year).

For example, a monthly rent of \$1,000 (\$12,000 annually) would require an annual income of \$40,000. \$12,000 of rent per year is 30% of \$40,000. Dividing \$40,000 by 2,080 yields a rental wage of \$19.23 per hour.

The data for average rents was sourced from the October 2023 Canadian Mortgage and Housing Corporation (CMHC) Rental Market Survey.[4] Since this data does not distinguish between vacant and non-vacant units and often excludes utilities, the rental wages provided may be underestimations.[5]

The report uses the 2023 minimum wage of \$14.75, as it corresponds with the most recent rental wage data from October 2023.[6]



# RENTAL WAGES IN NB

**Figure 1:** 2023 Provincial Minimum Wages and Rental Wages

	Minimum Wage October 2023	1 Bedroom Rental Wage	2 Bedroom Rental Wage
British Columbia	\$16.75	\$29.96	\$35.90
Ontario	\$16.55	\$28.50	\$32.63
Nova Scotia	\$14.50	\$24.38	\$29.29
Alberta	\$15.00	\$23.98	\$27.98
Manitoba	\$15.30	\$20.81	\$26.31
Saskatchewan	\$14.00	\$20.15	\$24.54
<b>New Brunswick</b>	<b>\$14.75</b>	<b>\$17.96</b>	<b>\$22.50</b>
Québec	\$15.25	\$17.58	\$20.04
Prince Edward Island	\$15.00	\$17.37	\$21.73
Newfoundland & Labrador	\$15.00	\$16.79	\$21.00

**Source:** 1. CMHC Rental Market Survey 2023 2. Government of Canada, Minimum Wage Database, "General Hourly Minimum Wage Rates in Canada since 1965"

New Brunswick's rental wages for 2023 were \$17.96 for a one-bedroom and \$22.50 for a two-bedroom apartment, positioning the province as the fourth most affordable in Canada. However, the province's minimum wage of \$14.75 was still \$3.21 lower than the one-bedroom rental wage and \$7.75 lower than the two-bedroom wage.

This wage gap becomes more concerning for single-income households, such as single parents, who may require two-bedroom apartments. Such individuals would need to earn an additional \$7.75 per hour to afford housing.

Rental wages vary significantly within New Brunswick (Figure 2). For example, Dieppe had the highest one-bedroom rental wage at \$22.04, while Edmundston had the lowest at \$11.38. Two-bedroom wages ranged from \$24.98 in Dieppe to \$14.69 in Campbellton.

Among the larger urban centers, Fredericton had the highest rental wages, followed by Moncton and Saint John. Rural areas, particularly in the north, had rental wages below the minimum wage.

**Figure 2: 2023 Sub-Provincial New Brunswick Rental Wages**

	1 Bedroom Rental Wage	2 Bedroom Rental Wage
Dieppe C	\$22.04	\$24.98
Fredericton C	\$20.38	\$24.44
Fredericton CMA	\$20.38	\$24.38
Riverview TV	\$19.27	\$23.27
Moncton CMA	\$19.19	\$23.69
Moncton C	\$18.58	\$23.50
Saint John C	\$17.60	\$20.98
Saint John CMA	\$17.54	\$21.04
Rothesay TV	\$16.73	\$20.31
Campbellton C	<b>\$13.50</b>	\$14.98
Campbellton CA	<b>\$13.19</b>	<b>\$14.69</b>
Bathurst CA	<b>\$12.31</b>	\$17.15
Miramichi CA	<b>\$12.10</b>	\$18.15
Miramichi C	<b>\$12.10</b>	\$18.15
Edmundston CA	<b>\$11.38</b>	\$16.10
Edmundston C	<b>\$11.38</b>	\$16.10

**CMA** = Census Metropolitan Area

A Census Metropolitan Area (CMA) is formed by one or more municipalities surrounding a population center like a city. A CMA has a total population of at least 100,000 residents; 50,000 or more must live in the center.

**CA** = Census Agglomeration

Similar to a CMA but smaller. It only has to have more than 10,000 residents in the center.

**C** = City

**TV** = Town/Village

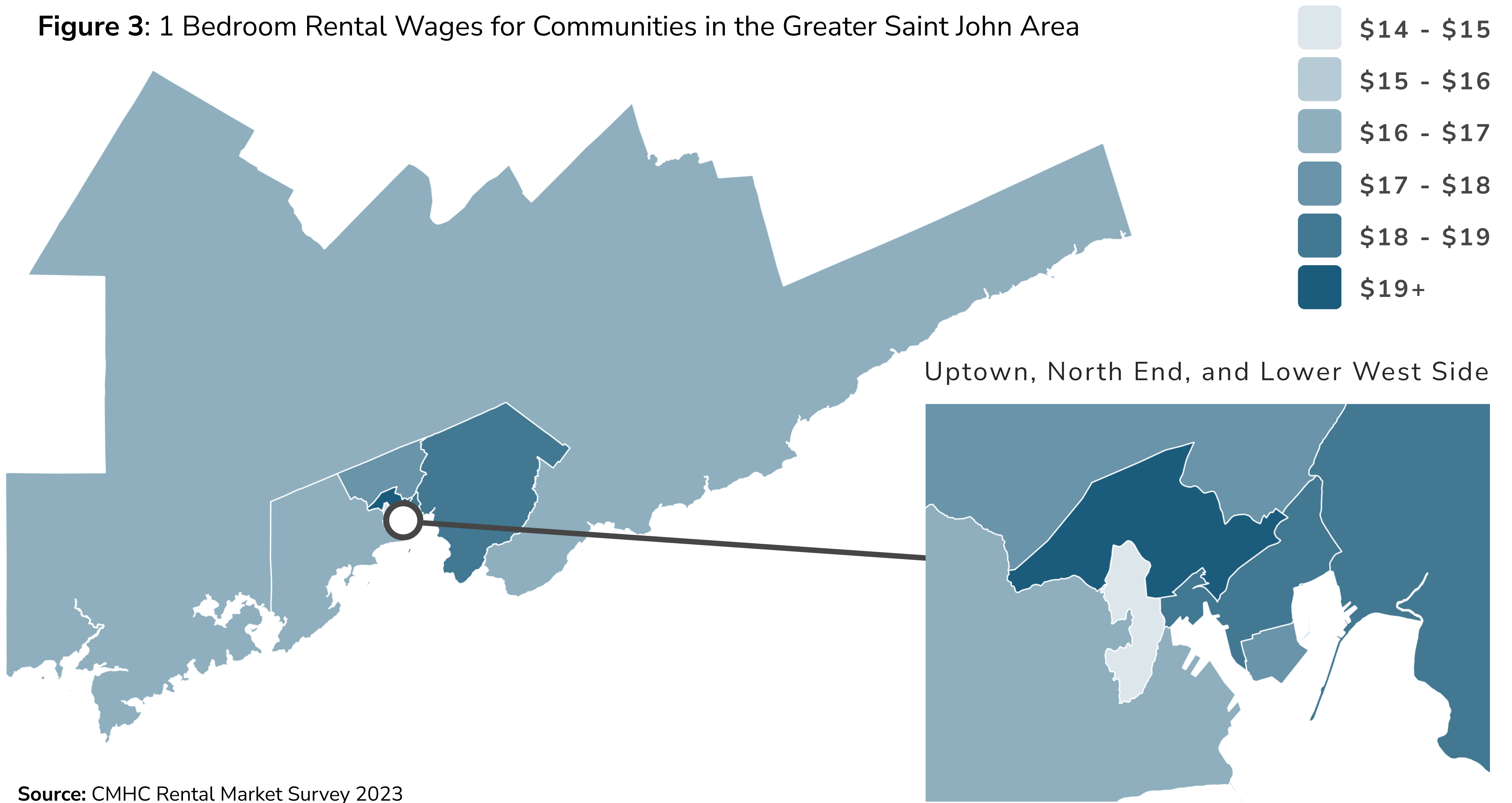
**Source:** 1. CMHC Rental Market Survey 2023 2. Dictionary, Census of Population, 2021

Most of the rental wages in New Brunswick are above the minimum wage. Even still, it is important to reiterate that these numbers are likely underestimations. The data does not account for the higher rents typically found in vacant units.

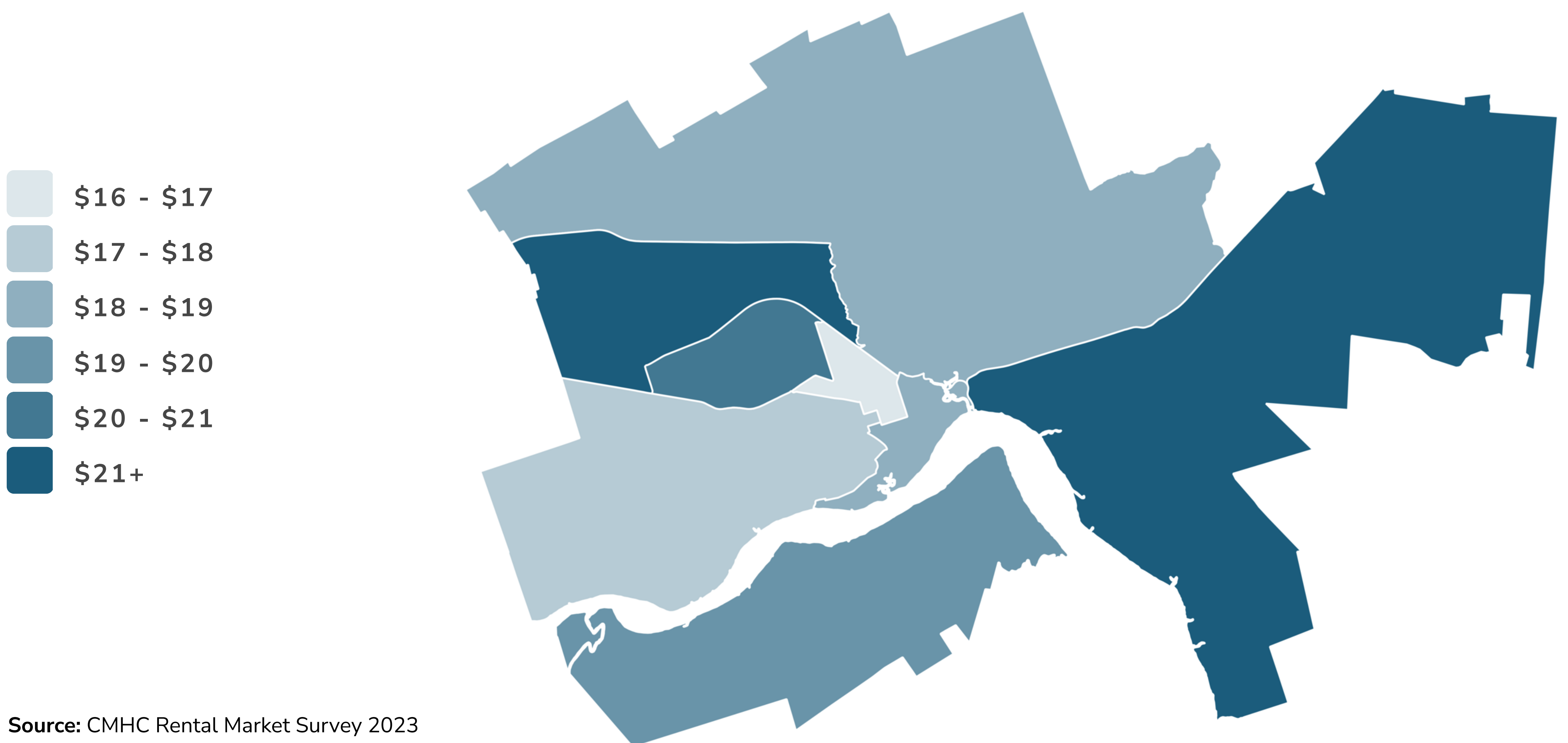
Rental wages also vary significantly between neighbourhoods in CMAs. Figures 3 to 5 show rental wages for one-bedroom apartments for the neighborhoods that had data available.



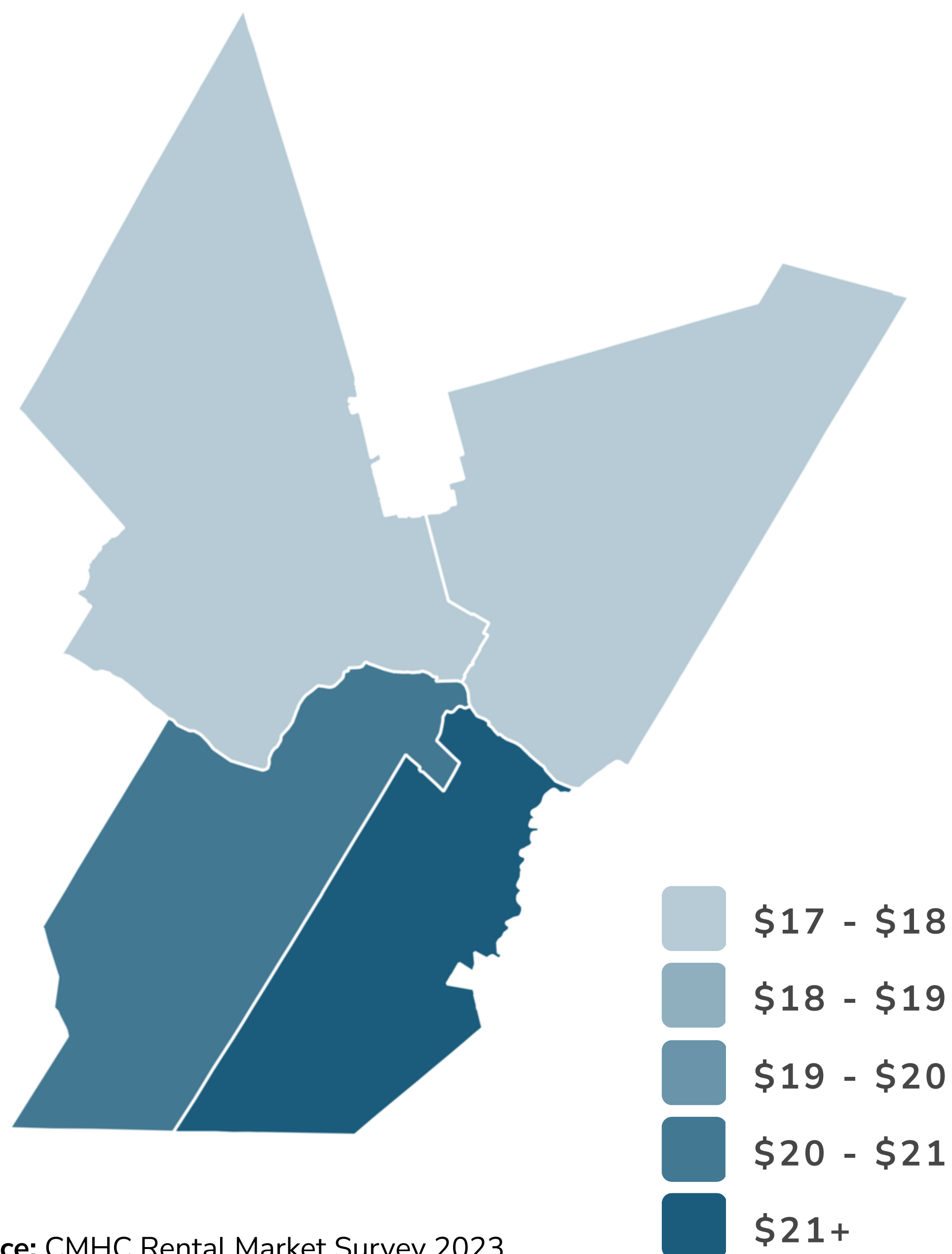
**Figure 3: 1 Bedroom Rental Wages for Communities in the Greater Saint John Area**



**Figure 4: 1 Bedroom Rental Wages for Communities in the Greater Moncton Area**



**Figure 5: 1 Bedroom Rental Wages for Communities in the Greater Fredericton Area**



Source: CMHC Rental Market Survey 2023

The most affordable neighborhood in Moncton was Garden Hill with a rental wage of \$16.35 per hour (Figure 4). Dieppe City had the highest at \$22.04, followed by North End/Ryan Road/Hildegarde at \$21.77.

Fredericton had limited data availability. However, Figure 5 highlights the differences in rental wages between the north and the south. In the northeastern and northwestern neighbourhoods rental wages were \$17.29 and \$17.96 per hour. In contrast, the southwestern and southeastern neighbourhoods had rental wages of \$20.94 and \$22.10 per hour.

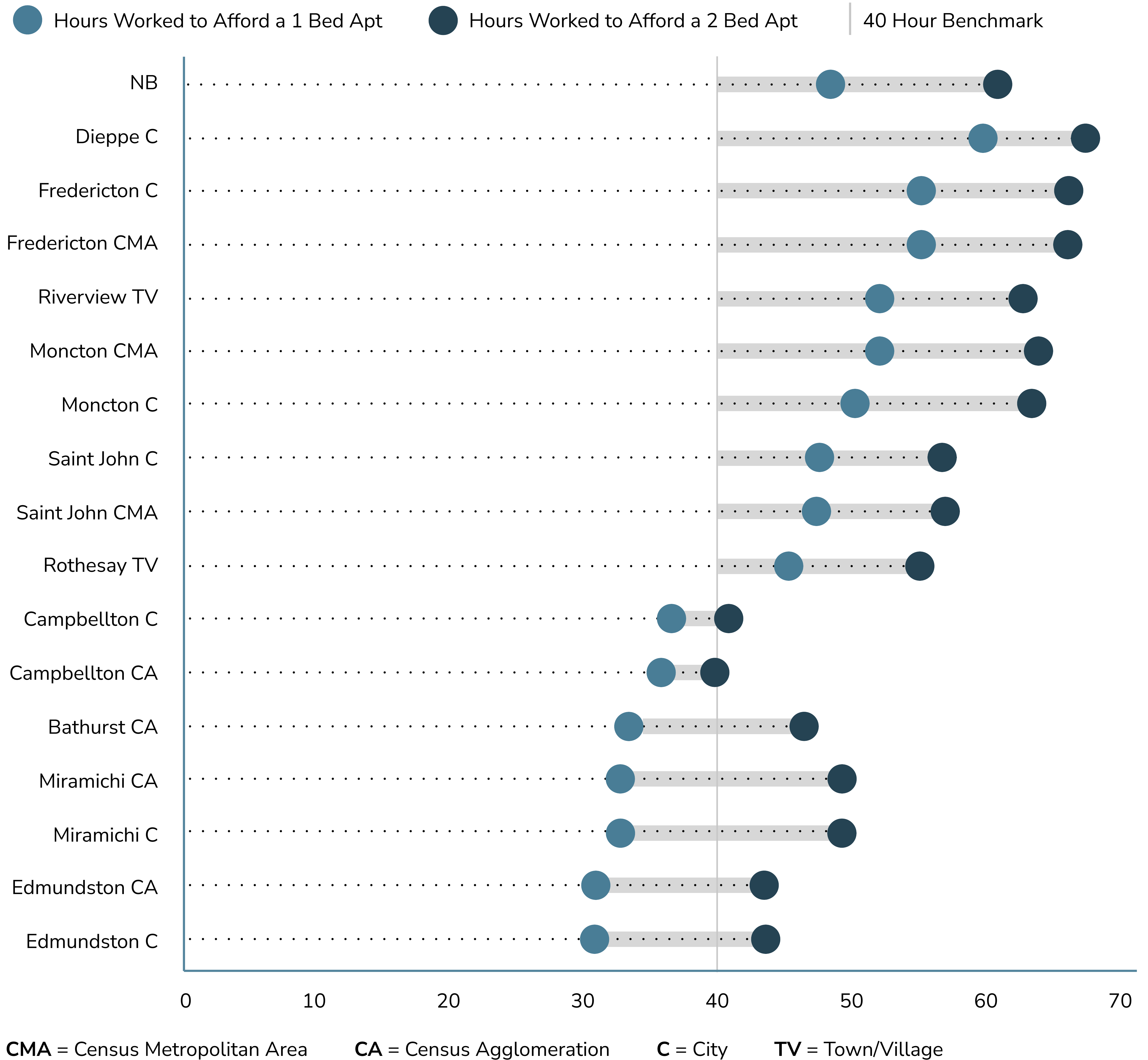
In the Greater Saint John area, the city's North End had the highest rental wage for a one-bedroom apartment of \$19.96 per hour (Figure 3). Indian Town had the lowest at \$14.71 per hour, making it the only neighborhood where the one-bedroom rental wage fell below the minimum wage. No neighborhoods in Moncton or Fredericton had rental wages below the minimum wage.

## MINIMUM WAGE HOURS

Analyzing how many hours minimum wage workers need to work to afford rent provides another measure of affordability. A full-time worker earning minimum wage would need to work 48.7 hours per week to afford a one-bedroom apartment and 61 hours for a two-bedroom apartment (Figure 6). Rent is unaffordable if a person needs to work more than 40 hours per week.

The most unaffordable areas in New Brunswick, such as Dieppe and Fredericton, require significantly more than 40 hours of work per week to afford rent. In contrast, areas like Edmundston and Campbellton have more affordable options, with fewer hours required to afford rent.

**Figure 6:** Number of Hours of Work Required Per Week at Minimum Wage to Afford Housing (spend less than 30% of income on rent) in October 2023



Source: CMHC Rental Market Survey 2023

# RENTAL WAGES IN 2018 VS. 2023

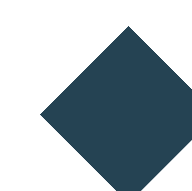
Between 2018 and 2023, rental wages in New Brunswick increased significantly. The one-bedroom rental wage rose 41%, from \$12.71 to \$17.96, and the two-bedroom wage increased by 46%, from \$15.40 to \$22.50.

These substantial increases were accompanied by a corresponding rise in the number of hours minimum wage workers needed to work to afford rent (Figure 7).

**Figure 7:** 2018 vs. 2023 Number of Hours of Work Required Per Week at Minimum Wage to Afford a One-Bedroom Apartment (spend less than 30% of income on rent)

	1 Bedroom Hours Per Week (2018)	1 Bedroom Hours Per Week (2023)	Difference
New Brunswick	45.2	48.7	3.5
Dieppe C	50.1	59.8	9.7
Fredericton C	51.1	55.3	4.2
Fredericton CMA	51.1	55.3	4.2
Riverview TV	51.6	52.3	0.7
Moncton CMA	47.7	52.0	4.3
Moncton C	47.2	50.4	3.2
Saint John C	44.5	47.7	3.2
Saint John CMA	44.3	47.6	3.3
Campbellton C	34.7	36.6	1.9
Campbellton CA	34.3	35.8	1.5
Bathurst CA	33.7	33.4	-0.3
Miramichi C	38.4	32.8	-5.6
Miramichi CA	38.4	32.8	-5.6
Edmundston C	31.4	30.9	-0.5
Edmundston CA	31.5	30.9	-0.6

Source: CMHC Rental Market Survey 2023



**Figure 8:** 2018 vs. 2023 Number of Hours of Work Required Per Week at Minimum Wage to Afford a Two-Bedroom Apartment (spend less than 30% of income on rent)

	2 Bedroom Hours Per Week (2018)	2 Bedroom Hours Per Week (2023)	Difference
New Brunswick	54.8	61.0	6.2
Dieppe C	60.4	67.7	7.3
Fredericton C	61.3	66.3	5.0
Fredericton CMA	61.1	66.1	5.0
Riverview TV	57.2	63.1	5.9
Moncton CMA	56.8	64.3	7.5
Moncton C	55.9	63.7	7.8
Saint John C	52.6	56.9	4.3
Saint John CMA	51.6	57.1	5.5
Campbellton C	43.4	40.6	-2.8
Campbellton CA	42.9	39.8	-3.1
Bathurst CA	43.1	46.5	3.4
Miramichi C	44.0	49.2	5.2
Miramichi CA	44.0	49.2	5.2
Edmundston C	39.0	43.7	4.7
Edmundston CA	39.0	43.7	4.7

Source: CMHC Rental Market Survey 2023

The hours of work required to afford a one-bedroom apartment increased by 3.5 hours per week between 2018 and 2023 in New Brunswick (Figure 8). Two-bedroom apartments increased by 6.2 hours per week.

Notably, Dieppe saw the largest rise in required work hours, while some northern communities experienced decreases in the number of work hours required for one-bedroom rentals. Housing in New Brunswick is becoming less and less affordable for low-wage workers.

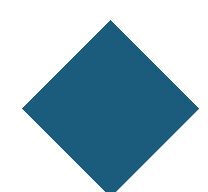
# CONCLUSION

The data highlights that while minimum wages in New Brunswick have increased, housing affordability is a growing challenge for low-income workers. The rental wage for both one- and two-bedroom apartments far exceeds the minimum wage, forcing many individuals to work multiple jobs or more hours to afford basic housing.

The minimum wage is indexed to the Consumer Price Index (CPI), ensuring wage increases keep pace with inflation.[7] However, the rise in rental costs far exceeds the overall rate of inflation.

The CPI for all items went up by 2.8% in New Brunswick from October 2022 to October 2023.[8] The CPI for rent rose by 9.0%.[9] This disparity exacerbates housing precarity for minimum wage workers, threatening their ability to meet other essential needs.

To address this growing crisis, policymakers must consider wage increases that are more closely aligned with rising housing costs, ensuring that all residents have access to affordable and secure housing. This report underscores the critical need for policies that support the housing affordability of New Brunswick's most vulnerable populations.



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8. Statistics Canada. Table 18-10-0004-01 Consumer Price Index, monthly, not seasonally adjusted
9. Ibid.

Prepared by Liam Fisher, Heather Atcheson, and  
the Human Development Council, a social  
planning council that coordinates and promotes  
social development in New Brunswick. Copies of  
the report are available from:



## HUMAN DEVELOPMENT COUNCIL

[www.sjhdc.ca](http://www.sjhdc.ca)

139 Prince Edward Street

Saint John, N.B.

Canada

E2L 3S3

506-634-1673

