

the rennie brief

JANUARY 2019

highlights

- between July and October Canada's population grew by more than 183,000 residents, the largest increase since 1971 when these data were first collected;
- strong immigration and growth in the number of non-permanent residents were the predominant drivers to this increase in all provinces;
- BC's population broke the 5 million mark, also driven by strong migration from international origins, and;
- for the first time in 21 quarters (Q1 2013), BC saw more people move from the province to other regions in Canada than moved to it from them to BC.

CANADA SEES FASTEST QUARTERLY POPULATION GROWTH SINCE 1971:

Canada's population was estimated to have grown to 37,242,571 on October 1, 2018, up 183,715 people from July 1, 2018, according to Statistics Canada's population estimates. This was the largest population increase since the demographic accounting system was created in 1971. The country's population growth rate in the third quarter of 2018 was 0.5%, an increase rarely seen in past quarters.

INTERNATIONAL MIGRATION IS THE MAIN SOURCE OF POPULATION GROWTH:

This growth was largely driven by international migration. In the third quarter, an unprecedented international migratory flow was seen (+146,531), driven by strong immigration levels and the arrival of a large number of non-permanent residents. The number of new immigrants (+82,316) combined with an increase in non-permanent residents (+79,417) to result in record high international migration levels.

The gain in non-permanent residents was mostly due to an increase in the number of work and study permit holders and, to a lesser extent, an increase in the number of refugee claimants.

These increases follow policy changes at the Federal level to increase immigration targets in support of short term economic growth (Canada's unemployment rate has fallen to its lowest point (5.6%) since data were first collected in 1976), and longer term demographic shifts within the Canadian population.

POPULATIONS GROW EVERYWHERE EXCEPT IN EASTERN AND NORTHERN CANADA:

The population grew in nine provinces and one territory in the third quarter of 2018, and declined in Newfoundland and Labrador (-0.05%), Yukon (-0.35%) and the Northwest Territories (-0.22%). Prince Edward Island (+0.98%), Nunavut (+0.66%) and Ontario (+0.62%) had population growth rates above

the national level (+0.50%). BC (+0.49%), Nova Scotia (+0.49%), New Brunswick (+0.21%), Quebec (+0.37%), Manitoba (+0.35%), Saskatchewan (+0.33%) all saw growth rates that fell below the national average.

International migration was the main driver of population growth in every province that posted population gains.

BC PASSES THE FIVE-MILLION PEOPLE MARK:

By the third quarter BC was home to an estimated 5,016,322 residents, 24,695 more than in Q2 (4,991,687). While the largest absolute additions since Q3 of 2016, BC's growth rate for the past quarter fell slightly below the national average (0.50% versus 0.49%).

As at the national level, the predominant driver to BC's growth was international migration. International migration of 23,422 was the highest level ever reported in the database back to 1971. Immigration of 10,882 and an increase of 15,478 non-permanent residents were above historical levels for this quarter dating back to 2016.

However, on the interprovincial migration side of things (movements from one province or territory to another), for the first time since Q1 of 2013 BC saw more people move from the province inter-provincially than to it. Following 21 consecutive quarters of gains, the interprovincial outflow amounted to a loss of 1,217 people from the province, most to Alberta.

In spite of lackluster oil prices, after 17 quarters of interprovincial gains from the province of Alberta, Q3 2018 recorded a net loss of 871 people to our eastern neighbour.

With BC's Lower Mainland accommodating an average of 90% of BC's immigrants, these changes will have implications for our local real estate market, underscoring the need for everyone --from all levels of government to individual households -- to understand the evolving landscape of housing demand and supply.