



Turner Drake & Partners Ltd.
6182 North Street,
Halifax, N.S., B3K 1P5
Tel.: (902) 429-1811

St. John's, N.L.
Tel: (709) 722-1811

Charlottetown, P.E.
Tel: (902) 368-1811

Saint John, N.B.
Tel.: (506) 634-1811

Toronto, O.N.
Tel.: (416) 504-1811

Toll Free: (800) 567-3033
Fax.: (902) 429-1891

E-Mail: tdp@turnerdrake.com
Internet: www.turnerdrake.com

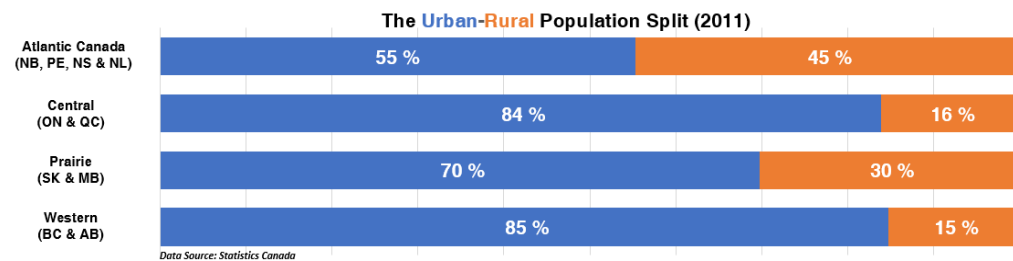


Subject: Only So Many Golden Eggs

Comments: As we highlighted in our Fall 2014 Newsletter (Vol. 2 No. 100), urbanisation is inextricably linked to economic development. Two hundred years ago, most of a country's population was found in the countryside, labour for subsistence industries. Typically only 15% to 20% of the populace would reside in cities and towns. Today the balance has been flipped, with most advanced nations (and advanced regions within nations) showing an urbanisation rate in excess of 80%. As we've moved into a post-industrial innovation and knowledge based economy, the trend has become even more important!

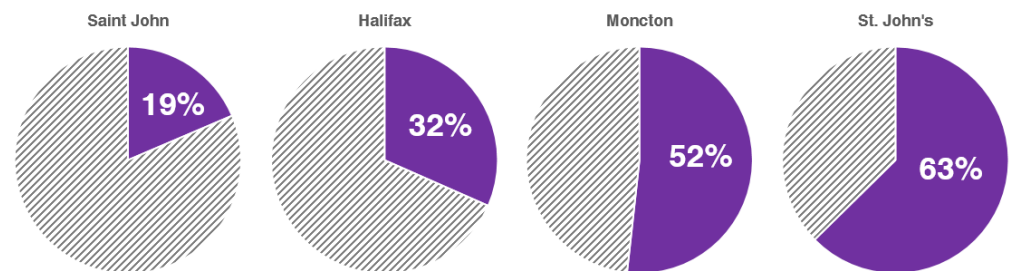
Rural to Urban Migration

Atlantic Canada has historically trailed the rest of the country in urbanisation, we are 55% urbanised compared to our 81% national rate. However, the dominant preferences of both aging Boomer and coming-of-age Millennial generations – easy access to services, amenities, jobs and healthcare – are starting to exert their influence. Urban migration, especially into the major centres, has been picking up steam. Unless they are within commuting distance of the major urban areas, stagnation and decline now belongs exclusively to small towns, villages and rural communities.



In growing areas, especially the major centres, this migration is a double edged sword. With low net growth in regional population and rapidly aging demographics, it has insulated against the weakness that plagues so many local markets, but in doing so has fostered complacency. By its nature, rural to urban migration is a temporary phenomenon. The flow will taper off as we approach a stable population split somewhere closer to the 80/20 mark. For the cities where data is available, the significance of this demographic force is surprising. In Halifax, our region's largest and most dynamic city, fully one third of the last decade's population growth would not have happened without pilfering souls from elsewhere in the province.

Population Growth from Intraprovincial Migration (Last 10 Years)



For these major centres, rural to urban migration will help support growth in residential values even as other sources of population growth, such as natural increase, continue to wane. Meanwhile, the shrinking rural communities feeding the trend are already experiencing the pain. However, with no change in immigration from outside Atlantic Canada, the areas currently benefitting from the regional population shuffle will experience similar erosion once this particular goose has laid all its golden eggs.

On September 17th, we will host a breakfast seminar at the Halifax World Trade and Convention Centre on the demographic changes sweeping the region, and their impact on real estate values in Atlantic Canada. Reserve your hot breakfast by contacting Gen Lecour at glecour@turnerdrake.com or (902) 429-1811 x345. There is no charge but we will accept donations to the Salvation Army or Oxfam at registration.