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**Subject:** Soft Landing

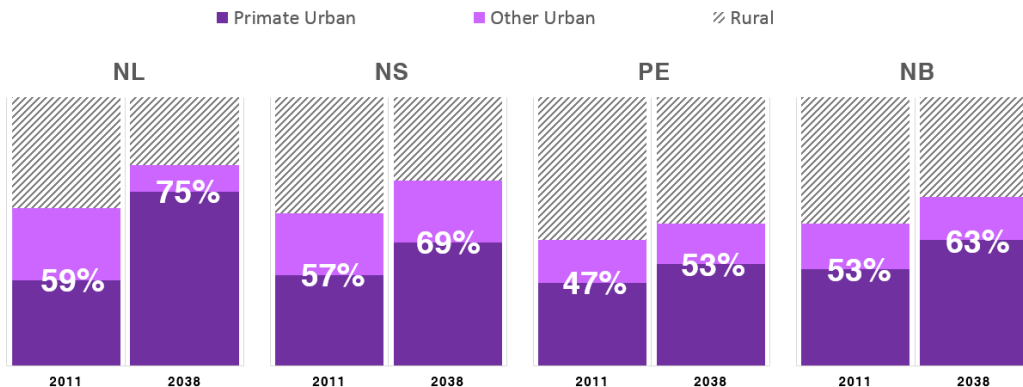
**Comments:** Last month we highlighted the trend of rural to urban migration taking place in Atlantic Canada. This internal population movement creates growth in our major urban centres, even as provincial populations stagnate and decline. The significance of this phenomenon begs the question: how long will last?

**Hitting a Moving Target**

The challenge rests largely on estimating the “stable” split between urban and rural populations. For highly developed nations and regions, this seems to fall somewhere around the 80:20 mark. The Central and Western provinces of Canada exhibit this characteristic. Examining their historical trends however, reveals that their urbanisation was primarily driven by strong economic development; in fact both urban and rural populations grew, just at significantly different rates. The Prairie Provinces urbanised slowly, and seem to be topping out around 70:30. Like the current trend in Atlantic Canada, their historic pattern is one of low net population growth, and absolute rural decline.

The Atlantic Provinces are shaped by primate cities; those which contain a massive proportion of the population and dominate the economic, political and cultural landscape. We will consider New Brunswick as having one primate city in three locations. In the last ten years of census data, each primate has added more people than their host province in aggregate, and more than all other growing urban communities combined. Using them as a launch point, and projecting the shift and acceleration in demographic trends we've observed from 2001 to 2011 we arrive at the following population distributions in 2038:

**Urban/Rural Population in Atlantic Canada: 2011 & 2038**



It seems reasonable to expect intraprovincial migration will be petering out by this point, at least in Newfoundland and Labrador, and Nova Scotia. In all provinces, it will have accounted for a massive proportion of the primate cities' total growth as deaths will have largely overtaken births, and immigration is assumed constant. Of course, economic development within the provinces can have a strong influence. Newfoundland is currently providing a case study in that unpredictability, with its petroleum industry generating recent prosperity and even more recent hardship. How we deal with immigration will also alter the pace of urbanisation as newcomers to our borders overwhelmingly settle in the major centres. Indeed as death rates accelerate and birthrates continue to fall, these two factors will become all the more important in determining if our region's major centres experience continued growth, or a demographic “soft landing”.

**On September 17<sup>th</sup>, 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](mailto: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.**