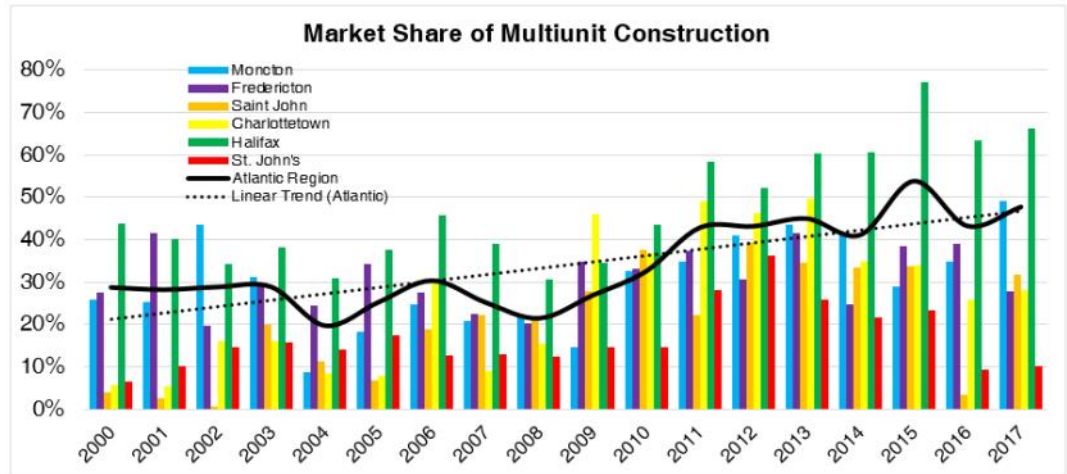


**Subject:** Tide Going Out on Apartment Construction?

Real Estate Counsellors,  
Brokers & Valuers  
Registration to ISO 9001:2015

**Comments:** By this point, few will have missed the boom in multifamily housing construction that has swept our region. The invasion of tower cranes has been a regular media focus in Halifax, but this is a largely non-denominational event offering salvation across Atlantic Canada. That is unless you worship at the altar of the offshore.



(Source: CMHC Starts and Completions Survey)

The trend was spurred by a collapse in interest rates in 2009, but now that monetary policy is tightening, how much longer is this horse going to run? Those who would rather the party continue, look to retiring Boomers as the next wave to ride. Certainly demand has not yet abated for these units, and anecdotally many of the new condo and condo-quality rental apartment occupants are greying empty nesters. It seems everyone is looking to realise equity and recover from decades of lawn maintenance. How deep is this potential pool of demand? Will it be enough to take up the banner from cheap financing? Opinions run rampant, but substance is lacking.

Earlier this month, brokerage Royal LePage commissioned a Boomer Trends Survey examining the consumer intentions of this prized population. According to those questioned, Boomers in the Atlantic region are more likely to remain in their current community, and more likely to renovate rather than downsize in retirement when compared to national averages. By combining some of the survey figures with population data, we can start to build an idea of the potential demand from this market segment:

	Boomer Led Owner-Occupier Households (2016 Census)	Planning to Stay in Area (77%)	Planning to Downsize (40%)	To a New Owner-Occupied Property			
				Smaller Detached Home (41%)	Attached Home (11%)	Condominium Apartment (23%)	Recreational Property (25%)
Halifax	54,270	41,788	16,715	6,766	1,857	3,847	4,245
Moncton	20,300	15,631	6,252	2,531	695	1,439	1,588
Fredericton	14,855	11,438	4,575	1,852	508	1,053	1,162
Saint John	19,550	15,054	6,021	2,437	669	1,386	1,529
Charlottetown	9,545	7,350	2,940	1,190	327	677	747
St. John's	29,440	22,669	9,068	3,670	1,008	2,087	2,303
<b>Total</b>	<b>147,960</b>	<b>113,929</b>	<b>45,572</b>	<b>18,446</b>	<b>5,064</b>	<b>10,489</b>	<b>11,574</b>

(Source: Royal LePage, Statistics Canada, Turner Drake & Partners Ltd.)

A paltry 10,500 households seems like a shallow pool for a region that has been building apartments at 2,500/annum, especially if only 20% expect to move within the next five years, as reported by the survey. Yet, this is not the whole story; Royal LePage focussed only on *buying* intentions. In this region, homeownership rates peak in the 55-59 age cohort and then drop by up to 11 percentage points. Further, many expect Boomers will eschew property titles at an even greater rate than those who preceded them. Are these domestic condo buyers just the tip of the iceberg then? A topic for future TDP Trends.

©2018 Turner Drake & Partners Ltd all rights reserved. Whilst every effort has been made to ensure the accuracy and completeness of this TDP Trends no liability is assumed by Turner Drake & Partners Ltd. for errors or omissions. This bulletin is distributed without charge on the understanding that the contents do not render legal, accounting, appraisal or other professional services.



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, ON.  
Tel.: (416) 504-1811

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

E-Mail: [tdp@turnerdrake.com](mailto:tdp@turnerdrake.com)  
Internet: [www.turnerdrake.com](http://www.turnerdrake.com)

