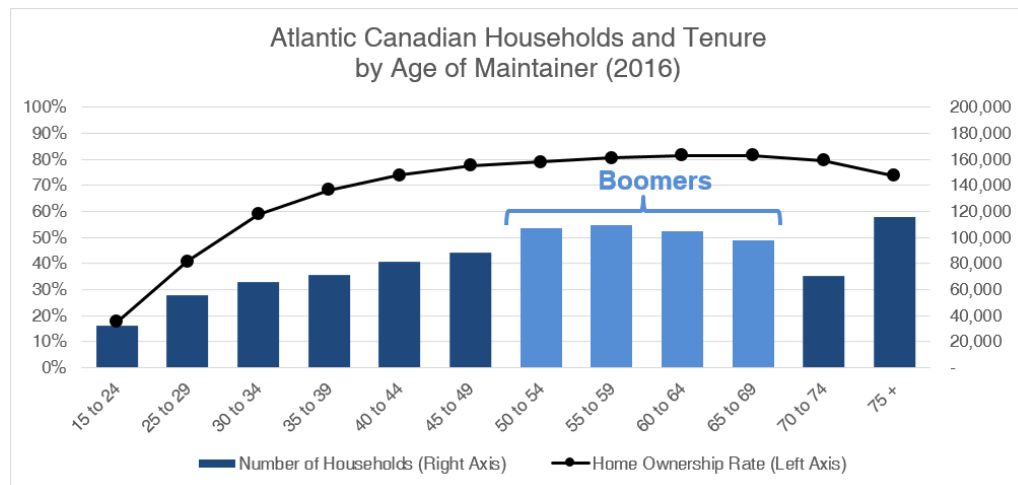




Subject: A Surge in Baby Boomer Rental Demand?

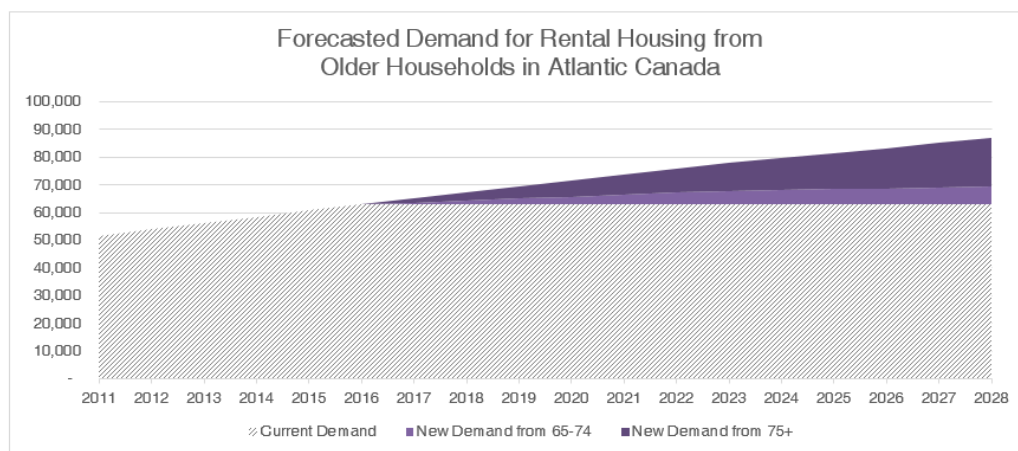
Comments: In August's TDP Trends ([Vol. 1 No. 27](#)), we explored Atlantic Boomers' *buying* intentions as potential support for a continued fever pitch in multiunit construction. Though condo apartments seem unlikely to capture much of the demand from downsizers, what of rental apartments? When it comes to changing real estate preferences in retirement, the trend is as much about tenure as type.

Unfortunately for apartment investors hoping the Boomers will break tradition, living footloose and fancy free, the [data](#) so far suggests they are just as likely to remain homeowners as previous generations. In other words, growth in the segment of "Grey Renters" will be driven by the population, not behaviour, of this generation.



Source: Statistics Canada, Turner Drake & Partners Ltd.

Homeownership generally peaks in the 55-59 age bracket, plateaus for another 10 years, and then begins its descent at 70. However, its nadir does not follow until after age 75, well into retirement. While Boomers are already affecting the rental market as the first waves age in, the full impact will not be felt for some years yet. Charting this age-ownership profile against demographic projections, we derive the following estimate of demand from older households:



Source: Statistics Canada, Sitewise, Turner Drake & Partners Ltd.

Over the next ten years, Boomers will add demand for rental housing by approximately 2,000 units per annum in the Atlantic Region. At this point the process will be about half finished, but the pace will slow as they begin to exit the general rental market and occupy assisted living facilities, (see February [Trends](#)).