



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

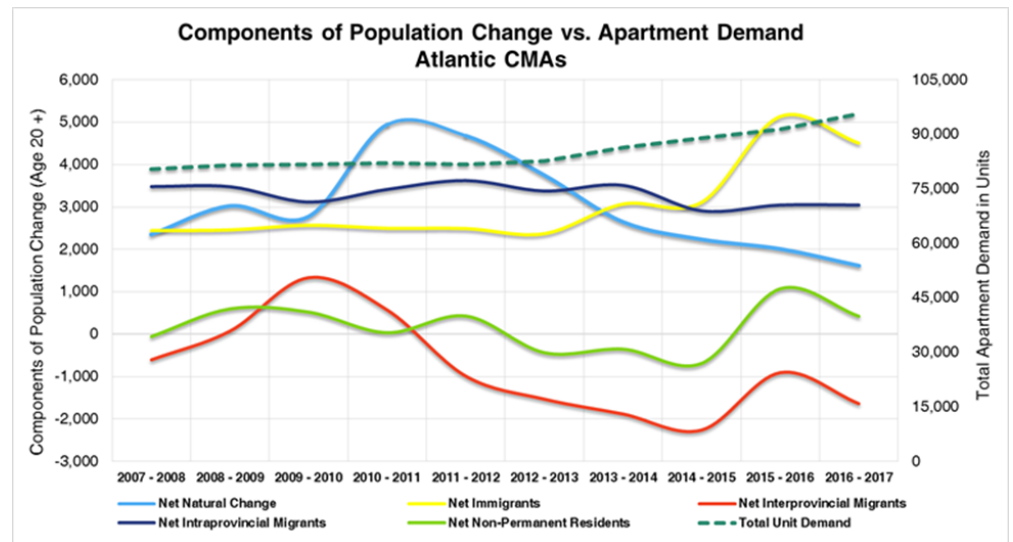
Toronto, ON.
Tel.: (416) 504-1811

Toll Free: (800) 567-3033
Fax.: (902) 429-1891
E-Mail: tdp@turnerdrake.com
Internet: www.turnerdrake.com



Subject: Boomer Bounce: For How Long?

Comments: In November's TDP Trends ([Vol. 1 No. 28](#)) we looked at the transition of the Baby Boomers from home owners to apartment renters and noted that home ownership peaks in the 55-59 age bracket, plateaus for another 10 years, starts to decline at age 70, and hits bottom at age 75. The rental market is the obverse side of this coin. As they age into retirement the attractions of cutting the lawn in the summer and shovelling the driveway in winter lose their appeal. The Boomers will start edging their way into the rental market at age 60, hit their stride at age 70 and peak at age 75. They will then start moving out of the rental market at an escalating rate as they succumb to mortality or move into extended care facilities. Their major impact on increasing rental demand will be from age 70 to 75. Thereafter they will have a declining influence on renter demand until most exit the sector by age 85 in favour of elderly care facilities. The first wave of Boomers will reach age 75 (peak rental demand) in 2021 and (in the main) move out of it by 2031. The last of the Boomers will reach age 75 in 2041 and exit in favour of extended care by 2051. If the Boomer births were evenly distributed over the years 1946 to 1966 peak rental demand would occur in 2031. Unfortunately they are front end loaded. The Baby Boomer peak rental demand is likelier to occur closer to 2026 than 2031. However there is also rental demand from the 20 to 29 age group, non-permanent residents (university students and skilled workers), immigrants, intra-provincial migrants (the rural to urban trend) and inter-provincial migrants. We have tracked these components of population change versus apartment demand for the four Atlantic Region Census Metropolitan Areas (St. John's, Halifax, Moncton, Saint John) in the graph below:



The Atlantic Region lags well behind Canada as a whole in terms of urbanisation so there is still plenty of scope for Interprovincial migration. Interprovincial migration is partly a function of economic conditions elsewhere versus this Region but Prince Edward Island is proving popular as a place to retire, in part because it has done an excellent job of retaining the historic feel and walkability of Charlottetown. Net Non-Permanent Residents may have peaked given the worldwide competition for foreign students. Attracting foreign immigrants, and their retention, is going to be key to maintaining renter demand.