

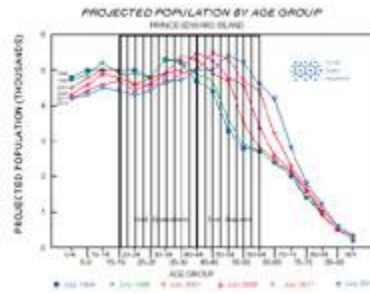
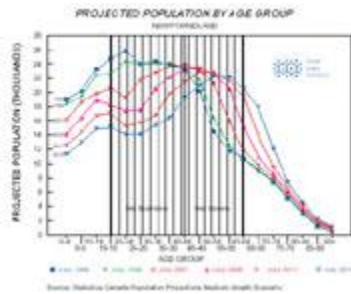
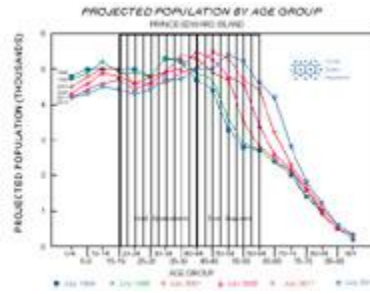
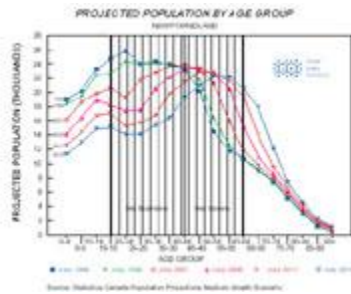
BABY BOOMERS BULGE (Very Late Fall 1995)

Much has been made of that post-war aberration, the baby boomers, generally defined as those born during the period 1946 to 1966. Next year the leading edge will reach the age of 50. As their children spread their wings and leave the family home, the baby boomers will increasingly become empty nesters. Their housing requirements will change and the effect will be felt throughout the housing and rental markets. Saving for retirement will loom large in their minds and the change in spending patterns will impact on the property markets. Senior citizens housing and health care facilities are an obvious growth area: less apparent are the retail opportunities in locations attractive to retirees. We notice that one enterprising Halifax escort and massage service determined to catch the wave is already offering a senior citizen's package. This is one competitive society! So if you have been asleep at the switch, crank up the coffee, close the door ... and read on.

And whilst we are at it, we thought that we should deal with another topic dear to our hearts. The northern cod have gone and the assumption west of the New Brunswick border is that Atlantic Canadians have followed them ... or are about to ... The concept that we board the family dory each morning, commute to the Grand Banks and jig for cod has a certain endearing appeal. In reality life is somewhat more mundane. A trip through the traffic to worship on the alter of commerce is actually the norm for most of us. However, fishing is part of our region's economy and the collapse of part of the industry has had an impact, especially in Newfoundland. Interprovincial migration is a factor for the region so we thought that it should be addressed too. Immigration/emigration from the region across national borders also has to be considered. Statistics Canada have produced population projections for each of the Atlantic Provinces and we have illustrated their medium growth scenario in the graphs below.

Since age 45 appears to be watershed: those yet to achieve it are "net spenders"; those with it safely behind them are "net savers", we have divided each graph into the respective spending patterns. The population projections incorporate births, deaths and migration (inter-provincial and inter-country). Population has been tracked in July 1994 and July 1996; and thereafter quinquennially. To interpret the data, focus on the "net spender" column and follow the spending waves, each representing a different year, as they travel through time from 1994 to 2016. Fascinating, isn't it? Now move across the "net saver" column and repeat the exercise. The "net savers" are still spending money but the focus of their consumption has shifted from goods necessary for family formation, eg. homes, furnishing, electronic goods, etc., to items desirable to maintain their lifestyle and prepare for retirement. **This is a very wealthy group: the over 50 age bracket own the vast majority of the country's assets.** They represent an opportunity for real estate investors, so long as the latter purchase real estate in locations attractive to ageing baby boomers, in advance of the wave. The trick is to pick the right province and then to focus on neighbourhoods, or towns, which will be retiree locations.

[Click to see full sized charts for the Atlantic Province](#)



The table shows the percentage increase in earnings, by province and age group, from July 1996 to July 2016. It is based on the assumption that spending/savings patterns by age group will not change during the time period under consideration. The figures for Canada are included as a "benchmark".

Change in Earnings from July 1996 to July 2016			
Location	Total All Age Groups	Net Spenders 15 Years to 44 Years	Net Savers 45 Years to 64 Years
Canada	+ 25%	+ 6%	+ 50%
P.E.I.	+ 8%	- 10%	+ 35%
N.S.	+ 6%	- 16%	+ 33%
N.B.	+ 3%	- 22%	+ 28%
NFL.	- 7%	- 36%	+ 25%

Then each province in the Atlantic region is ranked according to its attractiveness as an investment destination, based on percentage increase in population. (This assumes that increases in property value are correlated with population growth. Since the ranking holds true across all three columns, it should be broadly correct.).

Prince Edward Island is expected to benefit the most from the changing demographics. The Island is attractive too because the fixed link to the mainland will be completed in 1997, giving the province all-weather access, rather than having to rely on the vagaries of the ferry service. This improved access is expected to boost tourism by 20%, with a concomitant effect on the value of hotels, motels and recreational property.

Nova Scotia's Annapolis Valley is already a prime retiree location for people from all parts of Canada. The Coldbrook-Wolfville Corridor in particular, with its lush garden ambience, crime free environment, cultural and entertainment facilities and easy access to Greater Halifax, is proving to be a magnet for the building wave of retirees. Wolfville's new performing arts theatre, which patterned its opening summer 1995 run, the Atlantic Theatre Festival, on Ontario's famous Niagara on the Lake's Shaw Festival, will further enhance the popularity of the area. The County of Kings already has the second highest population growth in Nova Scotia: during the period 1986 to 1991 its population grew by 5.7%, almost double the provincial average.

New Brunswick's population is expected to peak in 2002 and decline marginally thereafter, presumably due to a migration out of the province by younger people. This will decrease demand for office and retail space and result in lower aggregate values. Entry level housing such as starter homes and rental units may suffer too, although it appears that increases in demand from empty nesters may counterbalance the reduction in demand from new family formation.

Newfoundland is not a cheerful picture. The total population is expected to **decrease** by 7% between 1996 and 2016, resulting in lower aggregate values for most types of real estate, especially office, retail and industrial space. However, there have been a number of events since Statistics Canada produced its projections, the most dramatic of which has been the Diamond Fields Resources – Archean Resources' nickel-copper-cobalt discovery at Voisey's Bay in Labrador. This is a world class ... possibly **the** world class ... discovery. In addition, on shore and off shore oil exploration is progressing in western Newfoundland.